

Herald Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper

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Paris, Wednesday, March 17, 1999

No. 36,091

TODAY:
Homage to Robbins, Page 10
STAGE

Resignation of Discredited Commission Provokes Crisis

Europeans Seek Quick Change in EU Leadership

By Barry James
International Herald Tribune

BRUSSELS — European governments moved quickly Tuesday to replace Jacques Santer as president of the European Commission after all 20 members of the European Union's executive body resigned en masse in response to a devastating report on corruption.

In London, Prime Minister Tony Blair and Chancellor Gerhard Schroeder of Germany agreed that the EU would seek to name a successor at a summit meeting in Berlin next week. The hunt was on for a candidate with "political experience,

economic knowledge, administrative skills and absolute integrity," Mr. Schroeder said.

The chancellor was touring European capitals seeking a consensus on a new leadership after

Edith Cresson's fateful traits. Page 6.
Crisis may be blessing in disguise. Page 11.

met Mr. Santer earlier in the day. But Spain and Greece said they would prefer Mr. Santer to remain in office as head of a caretaker mission. His five-year appointment and that of the other commissioners was due to end Dec. 31.

In the past, the names of Romano Prodi, the former Italian prime minister, and Javier Solana, the secretary-general of NATO, have been mentioned as possibilities.

The prospect of a quick resolution to the crisis grew as it became apparent that sentiment in the European Parliament was swinging in favor of the commission's being replaced, although commissioners who had been exonerated by the report could be reappointed. Mr. Blair said he wanted the two British commissioners, Sir Leon Brittan and Neil Kinnock, to continue serving.

The president of the Parliament, Jose Maria Gil Robles, said a new leader should be sought

immediately, and that to allow Mr. Santer to continue in office would be the worst of solutions. He said the heads of the Parliament's political groups unanimously supported the conclusion of the report.

The Parliament touched off the crisis earlier this year by seeking to oust the commission in a no-confidence vote over corruption. It lost that vote but succeeded in appointing a five-member committee of independent experts to investigate charges of fraud, corruption, mismanagement and nepotism.

The commissioners stepped down soon after midnight Monday after the experts' report con-

demned them for incompetence, mismanagement and loss of political control. They remained at their posts as caretakers while the governments consulted on their replacements.

Mr. Schroeder said that he was anxious to show as quickly as possible that Europe was "up and running." He said the crisis would not delay attempts to reform the EU budget and open the way to new members in Eastern and Central Europe. "It is now even more important that Europe makes clear it can act decisively," he said. "We should and must make Berlin a success."

See EU, Page 6

No Easy Fix Within View For Vacuum At the Top

By Barry James
International Herald Tribune

BRUSSELS — The sudden resignation of the entire European Commission has plunged the European Union into the heart of a major institutional crisis, forcing leaders to bring forward by several months the choice of someone to run the EU's executive body.

Opposition mounted in the European Parliament and in national capitals to the present team serving as caretakers until the end of their mandate on Dec. 1.

The original idea was to have chosen a new president at a summit meeting in June, giving him six months to put together a team in consultation with governments.

Some governments, notably Spain and Greece, would be happy to see Mr. Santer remain in place. But other leaders, like Wim Kok of the Netherlands, said it was time for a fresh start.

But with whom? Candidates possessing the qualities of political leadership, political skills, economic knowledge and administrative talent, which the German chancellor, Gerhard Schroeder, said were necessary, are not thick on the ground — particularly when the ideal person needs to get the approval of all 15 member governments.

The EU at the same time is looking for someone to fill an almost equally high-ranking job as high representative for foreign and security affairs.

Mr. Santer was chosen as a compromise five years ago after leaders first selected and then rejected Jean-Luc Dehaene, the Belgian prime minister, and could not agree on any one else.

Mr. Santer promised to be a manager rather than a visionary like his predecessor, Jacques Delors, and he said he would do "more with less" by proposing fewer laws and executing those already passed more efficiently.

But in the end, his management style was his undoing. The committee into corruption and nepotism at the commission blamed Mr. Santer and his team

See COMMISSION, Page 6

Touching 10,000

Dow Cracks 10,000 As Bull Market Rolls

Index Is Over 5 Times Level of '87 Crash

By Mitchell Martin
International Herald Tribune

The Dow Jones industrial average traded above 10,000 points Tuesday for the first time ever — merely another big number, perhaps, but one with considerable psychological significance.

The advance propels the bull market of the past two decades to heights that surely must have seemed unattainable after the 1987 market collapse, when the Dow was at less than one-fifth that level — or perhaps as recently as October, when the global financial crisis briefly drove stocks below 3,000.

After a spurt last week, the advance stalled Friday and Monday, reflecting some second thoughts about the prices that blue-chip companies have been fetching on the stock market.

Those second thoughts apparently continued early Tuesday as the Dow, shortly after breaking through the key barrier to hit 10,001.78 points just before 10 A.M. in New York, fell back. The index closed at 9,930.47 down 28.30 points from Monday.

Still, by breaking the 10,000 mark, even if only briefly, the Dow has crossed a threshold that could encourage investors to commit even more cash to stocks, at least in the short run, some analysts say.

Whether that is a good idea is a matter of debate. It is mainly the big-company shares that are contained in the Dow, along with some large technology issues, that have seen the best gains since the current phase of the long-running rally began in 1995.

Optimists say this means that smaller companies and overseas corporations will eventually catch up, while pessimists contend that the Dow's gains represent a financial bubble that will eventually pop.

Explaining the bullish scenario, Alan Ackerman, executive vice president of Fahnestock & Co. in New York, said, "It represents free-market economics, particularly strength in the United States, and, generally speaking, low inflation and low interest rates. Of most importance is the fact that strong economic growth is likely to be one of the dominant factors worldwide in the next few years."

Mr. Ackerman said that since the crisis sparked by Russia's default on ruble bonds in August, "economics have turned from a peak of panic to a sense of stabilization. Current conditions indicate that countries like Brazil may be about to turn the corner."

The announcement this month of a revised financial agreement with the International Monetary Fund has provided hope that Brazil's near-certain decline into recession will be a short-lived affair and that it will do limited damage to the rest of Latin America.

Yet many analysts take a darker view of the situation. They note that since July 1997, when Thailand was forced to devalue its currency, a wave of deflationary pressure has circled the world, exposing bad investments made in unneeded factories and ambitious real estate developments.

The falling prices for goods and services combined with reduced in-

President Jacques Santer of the European Commission meeting journalists Tuesday in Brussels after the entire 20-member commission, including Edith Cresson of France, below, resigned after a critical report.



Andrea Liova/The Associated Press

Pyongyang Assents to U.S. Inspections

Clinton Administration Says Agreement Vindicates Policy of Engagement

By Brian Knowlton
International Herald Tribune

WASHINGTON — North Korea has agreed to allow repeated U.S. inspections of a suspected nuclear weapons site in a move the Clinton administration said vindicated its insistence on engaging the Communist government rather than isolating or confronting it.

James Rubin, the State Department spokesman, called the agreement "an important step" toward the U.S. objective of nuclear nonproliferation in Asia. The accord was reached in negotiations in New York.

Mr. Rubin said the two sides also agreed to hold a new round of talks March 29 in Pyongyang to discuss North Korean production and sales of

ballistic missiles to Third World countries, which the United States opposes. Those negotiations began in 1996.

Although the United States this month pledged 500,000 tons of new food aid to North Korea, where a catastrophic famine is thought to have claimed millions of lives, Mr. Rubin denied that there was any direct link to the inspection agreement.

"We did not agree to North Korean demands for compensation for this access," he said.

When talks on the issue opened in November, Pyongyang demanded \$300 million as the price for access to the site, an enormous man-made cavern at Kumchangri.

Mr. Rubin added that the United States had approved plans for a private

U.S. organization to help improve potato production in North Korean farms. He called the project "very modest" and said it would be monitored to ensure that the potatoes go to needy civilians and not to the North Korean military.

The Kumchangri site, about 40 kilometers (25 miles) northwest of Pyongyang, was detected last summer by U.S. satellites. Pyongyang would not reveal its purpose, though it denied there was any nuclear use.

Mr. Rubin took pains Monday to say that Washington had "no basis" to conclude that North Korea was now in violation of a 1994 agreement not to develop nuclear weaponry, but wished to ensure that no violations occurred.

See NORTH KOREA, Page 6

Gore's Test: Overcoming Public Doubts

By David S. Broder
and Rich Morin
Washington Post Service

WASHINGTON — As he begins his quest for the White House, Vice President Al Gore faces a large challenge: Most American voters want the country to continue on the path laid out by President Bill Clinton but are not convinced that Mr. Gore is the person to do it.

A new Washington Post-ABC News

poll found that the public's doubts about Mr. Gore's leadership capacity and coolness to his personality could tip the election to the Republicans. While the vice president is popular among Democrats, many voters think he is too boring or too liberal, and worry that he will not keep the economy moving.

"I think his direction is similar to Clinton's," said Judy Sanders, a Democrat and retired fashion consultant in Marco Island, Florida. "But I think he could use some public-speaking teaching. I think he's boring. I wish he had more charisma."

A majority of the 1,515 interviewees — 56 percent — said they want a president who will keep the country moving in the direction Mr. Clinton has been taking it, rather than a new direction. And by 68 percent to 21 percent, respondents said they think that Mr. Gore's positions on important issues are basically the same as Mr. Clinton's.

But the same sample found Mr. Gore trailing the two early leaders in polls for the Republican nomination — 13 points behind Governor George Bush of Texas and eight points behind Elizabeth Dole. Taken between March 11 and March 14,

the poll has a margin of error of plus or minus three percentage points.

While Mr. Gore matches up well against Mr. Bush on ratings for personal character traits, he lags by 27 percentage points in the rating for strong leadership. As a result, there is much less enthusiasm about the prospect of his moving up to the Oval Office.

Other vice presidents have faced, and overcome, the weak leadership problem Mr. Gore now confronts. Former President George Bush lagged behind opponents when he was a vice president about to run for the top job. In a January 1988 poll, Mr. Bush, the father of the Texas governor, lagged 12 points behind then-Senator Robert Dole as a strong leader, but he defeated Mr. Dole in New Hampshire, and went on to capture the nomination. He began the general election trailing the Democratic nominee, Michael Dukakis, then governor of Massachusetts, by eight points in leadership, and beat him handily.

Eleven months before the first delegate contests, only two out of five voters say they have enough information in leadership, and beat him handily.

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AGENDA

Settlements Alter West Bank Views

From bluffs above the Palestinian territories, the vista is dotted with hilltop settlements, evidence of the ongoing and willful expansion of the Jewish presence in the West Bank.

Settlers aim to sink their roots as deeply as possible in the hope that the land they occupy now will never be turned over to the Palestinian Authority.

For months, Palestinian leaders have voiced persistent criticism. They have been joined by the U.S. Embassy and other American diplomats. Page 6.

U.S. Finds Serbs Bracing for War

WASHINGTON (Reuters) — The Yugoslav military has moved 30,000 Serbian troops into and near Kosovo and is "bracing for war" with NATO as Serb officials take part in peace talks near Paris, the Defense Department spokesman, Ken Bacon, said Tuesday.

Talks near impasse. Page 5.

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The IHT on-line www.iht.com

Renault Offers \$4 Billion To Buy 35% of Nissan

Deal Marks Rare Foray Into Heart of Japan Inc.

By Edmund L. Andrews
New York Times Service

FRANKFURT — In one of the biggest gambles that a European car company has ever taken, Renault SA of France on Tuesday offered more than \$4 billion for 35 percent of Nissan Motor Co., Japan's huge but deeply troubled car company.

If Nissan accepts the offer, the deal would mark an unprecedented incursion by a foreign company into the innermost sanctum of Japanese industry. It would also transform Renault from a smallish European producer to one of the world's biggest players.

But the big question for Renault is, why?

After losing about \$1 billion in 1996, Renault bounced back with a highly popular line of new cars and minivans. Last year, it earned about \$1.4 billion on \$4 billion in sales.

But Renault, in which the French government owns 44 percent of the stock, remains a smaller player in a field increasingly dominated by giants like DaimlerChrysler, Ford Motor Co. and General Motors Corp. About 85 percent of Renault's cars are sold in Europe, and most of those are in France itself. It has little presence in the United States and virtually none in Asia.

Company executives, speaking on condition of anonymity, offer several reasons for their interest in Nissan.

As Japan's second-biggest car company after Toyota Motor Corp., they argue, Nissan would give Renault a powerful presence in Asia as well as in the United States. Renault, they add,

See DEAL, Page 12

THE AMERICAS

A New Forbes Starts 2d Bid for Republican NominationBy Terry M. Neal
Washington Post Service

WASHINGTON — The date was Oct. 21, 1997. The audience was the Heritage Foundation, bastion of conservative thought. For Steve Forbes, the wealthy publisher from New Jersey, his appearance here was a coming out of sorts.

No longer would Mr. Forbes be deflecting questions about abortion and school vouchers by returning every topic to his favorite subject, the flat tax. Instead, he had come to give a talk titled "The Moral Basis of a Free Society."

Mr. Forbes was practicing that day for his next bid for the Republican presidential nomination, after surprising and irking the party establishment with his candidacy in 1996. On Tuesday, he began his second campaign for the nomination, on the Internet and with a trip to New Hampshire, site of the first-in-the-nation primary election.

He emerged almost from nowhere in 1996, using his millions, flat-tax mantra and Washington-outsider message to make himself into a force in the Republican primaries, and in the process doing much damage to the candidate

who won the nomination, Bob Dole.

This time, political strategists say, Mr. Forbes has the potential to genuinely compete for the nomination, because he has broadened his message and because no Republican candidate other than Governor George Bush of Texas is as likely to have the financial resources to go the distance.

Mr. Forbes, 51, has hired top-notch strategists, and while he can still appear awkward and stiff, he has improved his appearance, sharpened his rhetoric and honed his speechmaking, political observers say. And this time round, voters can expect a very different candidate from the one whose robotic recital of the glories of the flat tax in 1996 carried him to victories in Delaware and Arizona but forced him to drop out after fourth-place finishes in Iowa and New Hampshire.

Mr. Forbes's last campaign failed to attract the active base of social conservatives, who disliked what they believed were vague and evasive answers on such social issues as abortion and private-school vouchers. But in the three years since, Mr. Forbes — who once called the Christian Coalition founder, Pat Robertson, a toothy flake — has recast

himself as a standard bearer of the religious right wing of the Republican Party. In the scores of speeches he has delivered since then, he has emphasized America's moral challenges as much as its economic ones.

"There's still a major vacuum out there," Mr. Forbes said in an interview on Friday. "There's no one pushing fervently and inspirationally on the policies that we need." Without strong leadership, these things won't get done — on taxes, social security, moral issues like school choice and life."

The new Mr. Forbes was on display in January, at the annual Conservative Political Action Conference meeting in Northern Virginia, where he reiterated his support for the flat tax, abolishing the Internal Revenue Service and privatizing Social Security. Then he switched directions.

"These ideas will only take us so far without a clear message on the moral and spiritual challenges facing this country," he said. "People expect more of their leaders. The times require it. But above all, conscience demands it."

This from the man who angered religious conservatives in 1996 by proclaiming that the Christian Coalition "does not speak for most

Christians." Mr. Forbes insists that his values and positions have remained consistent. But he acknowledged that the issues he was emphasizing had evolved since 1996. Mr. Forbes said that because he entered late in the previous race as a virtual unknown, he had to make his mark with a simple, straightforward message.

He characterized his new focus as more pragmatic than political.

In 1996, Mr. Forbes had almost no grassroots organization, so he relied on a television and radio advertising campaign financed by more than \$37 million of his own money. He shot up in polls in Iowa and New Hampshire as a result of the advertising blitz. But when his opponents attacked his plan for a flat tax, the voters took a second look and Mr. Forbes's standing plummeted.

He directed much of his advertising at Mr. Dole, and many Republican leaders have never forgiven him for it. When asked whether he would use the same expensive advertising strategy this time, Mr. Forbes insisted that he had never personally attacked another Republican and that he looked "forward to a campaign with a vigorous debate on the issues, to substance, not sizzle and spin."

Mrs. Clinton's Testimony Shown

LITTLE ROCK, Arkansas — In testimony first made public Tuesday, Hillary Rodham Clinton said she had not monitored the records of the Whitewater land deal that later prompted an independent counsel investigation. "I never spent any significant time at all looking at the books and records of Whitewater," she told Kenneth Starr's prosecutors in testimony videotaped in April 1998.

Forty minutes of the tape was shown in court as part of the contempt trial of Susan McDougal, who has refused to answer prosecutors' questions about her Whitewater partnership with the Clintons, which began in 1978.

Disclosure of Mrs. Clinton's secret testimony in 1998 revives the troublesome Whitewater issue as she is considering a run for the U.S. Senate in New York.

In the videotape, Hickman Ewing Jr., a deputy in the independent counsel, showed Mrs. Clinton a \$27,600 cashier's check payable in Bill Clinton that was used to pay off a Whitewater debt. Mrs. McDougal's husband, Jim, had taken the funds from a financial institution he owned. "Did you know that that loan was being paid off by check in your husband?" Mr. Ewing asked. "I'm sorry, Mr. Ewing," Mrs. Clinton said. "I don't know anything about this."

Mr. Ewing also asked her about a \$5,081.82 check signed by Mrs. McDougal seven months after the other check. It bore the notation "pay off Clinton" and was used to pay off a portion of a loan in Bill Clinton's name. "I have never seen these documents before," Mrs. Clinton said. (AP)

Medicare Panel Set to Collapse

WASHINGTON — A year after setting out to chart a secure future for Medicare, a high-powered federal commission is deadlocked that it was expected to collapse Tuesday when it convened for the last time — without sending any advice to Congress or the White House, according to federal sources.

Despite a frantic search for compromises in recent days, the chairman, Senator John Breaux, Democrat of Louisiana, acknowledged Monday that he had not mustered enough votes to support his vision of how to reform the national health insurance program for the elderly. (WP)

Democrats Opt for Los Angeles

LOS ANGELES — Evoking the glories and the ghost of John F. Kennedy, the Democratic National Committee has announced that it will hold its 2000 national convention here. The event was last in Los Angeles in 1960. (NYT)

Away From Politics

• Science needs to preserve laboratory specimens of the smallpox virus to make sure there is a way to make vaccines should the deadly disease ever be used as a bioterrorism weapon, according to a committee of experts in Washington. (AP)

• The Rev. Henry Lyons, president of the National Baptist Convention USA, one of the nation's largest and most influential black denominations, has resigned two weeks after he was convicted of swindling more than \$4 million. (AP)

• David Hale, a retired two-star general, accused of having affairs with wives of subordinates will face court-martial on charges of making false statements and conduct unbecoming an officer, the army said. (AP)

• Hundreds of children's lives could be saved each year if they used booster seats and seat belts more, said an expert panel that recommends strengthening seat belt laws and having children use booster seats longer. (AP)

• Four endangered Mexican gray wolves have been freed to roam the Apache-Sitgreaves National Forest in Arizona, the first of their breed released this year in efforts to restore the animals in their natural habitat. (AP)

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Train Derails in Illinois; 13 Die and 100 Are Hurt*The Associated Press*

BOURBONNAIS, Illinois — Rescue crews continued searching Tuesday through the twisted bulk of an Amtrak train that struck a truck and derailed, but hopes of finding more survivors were fading.

At least 13 people were killed, more than 100 were injured and 5 others were missing and presumed dead. There were 216 people aboard the train.

To find survivors in the wreckage would be pretty unlikely," said the Bourbonnais fire chief, Mike Harshbarger.

Amtrak's "City of New Orleans" train, bound from Chicago to New Orleans, careened off the tracks shortly after 9:30 P.M. Monday when it slammed into a semitrailer loaded with heavy steel bars at a crossing 50 miles (80 kilometers) south of Chicago.

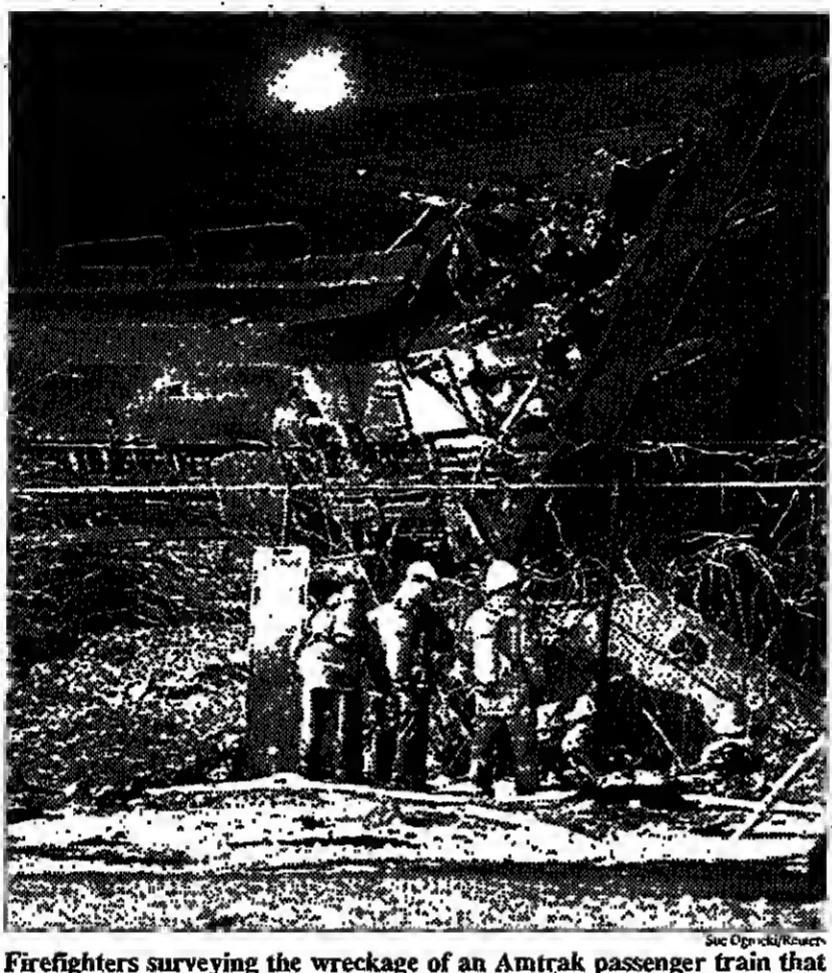
All of the dead were aboard one sleeper car near the front of the train. As the impact sent engines and cars flying, the car was pierced by one of the engines and then set afire by leaking diesel fuel.

Rescue workers were digging by hand through debris in that car Tuesday morning, Mr. Harshbarger said.

Amtrak said in a news release that the local coroner had confirmed 13 deaths. Earlier, officials said six people were unaccounted for.

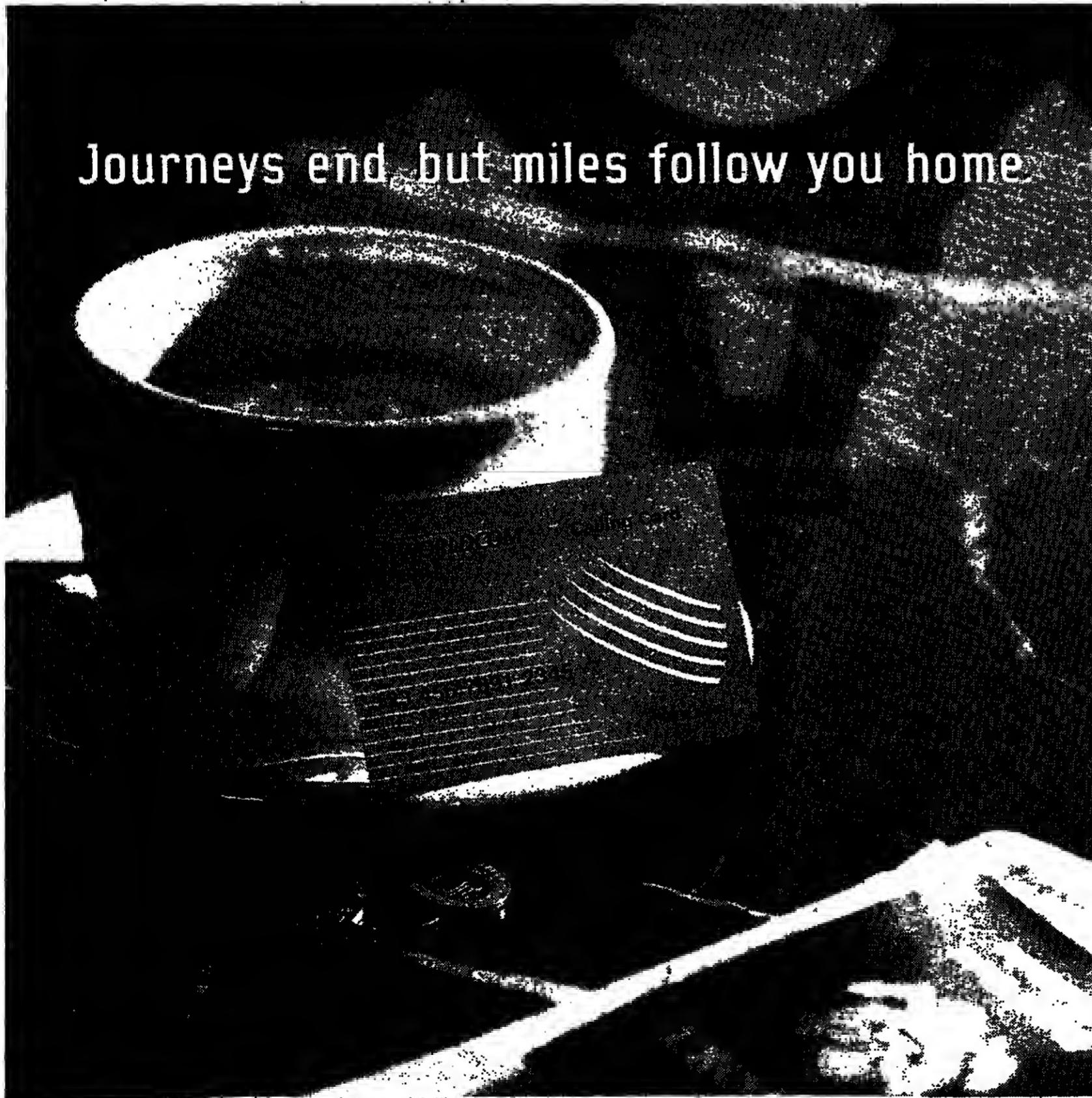
"I was trying to go to sleep. Then all of the sudden everything just started crashing and catching on fire and people hollering and running. It was awful," said Blanche Jones, a passenger from Memphis, Tennessee.

The truck was leaving a nearby Birmingham Steel Co. facility. Cy Gura, a safety engineer with the National Transportation Safety Board team at the scene, said that the driver told the authorities he did not see the train or flashing warning lights until he had already started driving across the tracks. The man, whose name was not released, was unable to get entirely across in time, Mr. Gura said.



See Orlin Klemmer
Firefighters surveying the wreckage of an Amtrak passenger train that derailed in Illinois after hitting a truck loaded with steel at a rail crossing.

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ASIA/PACIFIC

Fight Over Genetically Altered Food Is Bound to Have Worldwide FalloutBy Sonni Efron
Los Angeles Times Service

TOKYO — The video whirs, and an American food exporter's nightmare rolls across the screen. A potato bug is shown munching on the deep green leaf of a potato plant — genetically engineered in the United States, the narrator says, to produce toxin that kills Colorado potato bug larvae. The bug falls off the leaf, flailing its legs in the air in what looks like insect agony.

"They say this is eat, but I don't want to eat it. Do you?" is asked the filmmaker, Junichi Kowaka, in an interview.

Surveys show that most Japanese do not. In this land where food is considered most delicious when eaten raw or as close to its natural state as possible, genetically manipulated food is seen as synthetic, unwholesome and definitely unappealing.

To blunt a nascent consumer rebellion, the Japanese government has proposed labeling bioengineered food to give consumers the freedom to reject it. That in turn has alarmed the United States, which fears that the move could threaten its \$11 billion annual sales to Japan, the No. 1 market for U.S. agricultural exports.

Beyond Japan, a truly global food fight is under way. The outcome of the regulatory, marketing and public perception battle that has been joined in Japan could have far-reaching effects on what U.S. farmers plan next year, on the skyrocketing U.S.-Japan trade imbalance and on the worldwide struggle between biofood promoters and foes.

At issue in the emotional political debate is how much to regulate and whether and how to label genetically modified organisms, known in biotech speak as GMOs.

These organisms are created when new genes — sometimes from another species — are introduced into a plant or animal to produce desirable traits, such as resistance to cold, pests, disease, spoilage or even a particular brand of herbicide.

While U.S. farmers are quickly increasing the acreage planted with GMO seeds — to 40 percent or more of some crops — there is growing opposition in Europe, Japan and in some Third World countries on environmental, health, philosophical or religious grounds. The European Union has slapped restrictions on genetically modified plants and passed a law requiring GMO foods to be labeled.

Well-organized environmental groups are crusading against what they have branded "Frankenstein food," fanning doubts about the products from Iceland to New Zealand. Anti-GMO

protests have been staged in the Philippines, India and Hungary, according to activists who are flooding the Internet with virulent attacks on biofoods.

Not all countries are hostile to foods altered by gene-splicing. GMO seeds reportedly have received a warm welcome in Russia, China and Argentina. And plenty of consumers have nothing against GMO foods so long as they know what's on the menu.

A 1994 poll in Australia, for example, found that 61 percent were happy to try GMO foods, but 89 percent wanted them labeled. Australia and New Zealand are now trying to set up a common labeling system. Prime Minister Jenny Shipley of New Zealand said earlier this month that consumers have a right to know whether their food contains GMOS.

Nevertheless, a heated battle broke out last month at a UN-sponsored conference in Cartagena, Colombia, where

"genetically enhanced" species are essential to generate the crop yields needed to nourish the world's exploding population and to reduce use of herbicides and pesticides. They say the foods have been exhaustively tested and demonstrated to be safe enough to pass muster with the U.S. Food and Drug Administration and the Environmental Protection Agency, as well as international regulators.

Foes assert that long-term studies on the effects of eating GMO foods have been inadequate. They question the environmental risks of developing pest-resistant or chemical-resistant crops, and they fear that bionic organisms could crowd out native species.

A subtext in many countries is suspicion of scientific "miracles," new technologies and imperfect regulators, and the perception that the U.S. biotech industry has been heavy-handed in trying to shove new foods down frightened consumers' throats, said Beth Burrows, president of the nonprofit Edmonds Institute in Edmonds, Washington, who attended the Cartagena conference.

In Japan, the credibility of the Ministry of Health and Welfare was severely damaged by the 1996 revelation that its bureaucrats had knowingly allowed the sale of HIV-tainted blood products — a scandal that broke the same year that the ministry approved the first of 22 GMO crops for human consumption here.

Availability of GMO foods in Japan has not led to acceptance.

More than 80 percent of those questioned in a 1997 government survey said they had "reservations" about such foods, and 92.5 percent favored mandatory labeling.

Unease is beginning to translate into action.

The city of Fujisawa, near Tokyo, has banned all GMO foodstuffs from its school lunches. A tofu maker has begun advertising its product as "recombinant-DNA-soybean free." And a number of powerful food-buying co-ops — which claim nearly 20 million members, or about 1 in every 6 Japanese — are trying to screen out or label GMO foods.

Mr. Kowaka's video with the Colorado potato bug footage has sold about 1,000 copies at \$130 each. Titled "The Dangers of Recombinant-DNA Food," it is being shown at lectures and gatherings by consumer, environmental and religious groups, he said.

"It seems Americans only care about the quantity of their food, but Japanese are concerned about the quality," Mr. Kowaka said. "Nobody wants to eat this stuff."

Pakistan-India Bus Carries Peace Hopes

Reuters

NEW DELHI — The first commercial bus to travel between Pakistan and India in more than half a century arrived here Tuesday night.

A crowd of Indian Muslim well-wishers clustered around the gates of the bus terminal with garlands for the 20 passengers, and bus officials passed around cold drinks and bouquets of roses.

The service was inaugurated Feb. 20 by Prime Minister Atal Behari Vajpayee of India during a cross-border visit aimed at putting relations between the two nations on a better footing after both conducted nuclear tests last May.

Two Pakistani soldiers sat on the bus on the long drive to the Wagah border crossing and were replaced by Indian soldiers for the rest of the 10-hour trip to New Delhi.

A bus bound for Lahore with 29 passengers and 2 security personnel left New Delhi on Tuesday morning.

The bus is a luxury service by the standards of the subcontinent, with videos, music and television as well as meals provided en route. Passengers paid 950 rupees (about \$19) for a one-way ticket.

Western donors hope the bus service will be another step in improving relations between the two countries, which have fought three wars since Pakistan was formed from the partition of India after it gained independence from Britain in 1947.

Mr. Vajpayee and Prime Minister Nawaz Sharif of Pakistan agreed in their "Lahore Declaration" to work toward better relations and to resolve their dispute over Kashmir, the divided Himalayan region over which two of their wars were fought.



Passengers waving in New Delhi on Tuesday as they prepared for journey through tense areas.

Beijing Urges EU to Avoid New Disputes Over Rights

Reuters

BEIJING — China urged the European Union on Tuesday to avoid disputes over the issue of human rights as Beijing worked to sidestep censure at a session of the UN Human Rights Commission in Geneva next week.

Responding to questions about a visiting European rights delegation, Sun Yuxi, a Foreign Ministry spokesman, admitted the two sides had a history of strife over China's treatment of dissidents. But he said difficulties had ended.

"This issue used to be a serious obstacle disrupting ties," Mr. Sun said at a regular briefing.

He urged the EU to continue "valuing the good momentum in the field of human rights and not revert to confrontation."

A visiting three-member team of diplomats from Austria, Germany and Finland met the Foreign Ministry officials Wang Yingfan and Li Baodong for the fifth round of an EU dialogue with China on human rights.

Mr. Sun refused to provide details of the talks, but diplomats in Beijing said the discussions were expected to set the tone for the annual Geneva forum and help Europe decide whether to sponsor a resolution critical of the Chinese record.

"All options remain open," said a Western diplomat close to the EU delegation.

In recent years, China has released from prison and forced into exile several opposition activists, including the country's best known dissident, Wei Jing-sheng, and Wang Dan, the former student leader.

But a roundup of almost all leading members of the outlawed opposition China Democracy Party since late last year has sparked calls for an anti-Beijing resolution at the six-week Geneva session, scheduled to begin Monday.

In the United States, both houses of Congress have voted unanimously for a resolution condemning China, and Secretary of State Madeleine Albright issued a warning to China over its deteriorating record during a visit there this month.

After leaving Beijing early Wednesday, the delegates will brief their government in time for EU foreign ministers to meet and flesh out their Geneva strategy, the Western diplomat said.

On Sunday, Foreign Minister Tang Jiaxuan of China said any attempt by Western countries to pass a resolution critical of Beijing would fail.

Premier Zhu Rongji defended China's rights record Monday, saying its Parliament had passed many laws to strengthen the protection of basic human rights. He also admitted that China's record was not perfect.

"We welcome foreign friends to criticize our work," Mr. Zhu said, adding that it was "impossible not to have shortcomings."

Senators Say They'll Block China's Bid for WTOBy Eric Schmitt
New York Times Service

WASHINGTON — Influential senators are threatening to block the Clinton administration's diplomatic effort to improve the United States's rapidly deteriorating relations with China and have urged the suspension of some scientific exchange programs.

Senators Jesse Helms, Republican of North Carolina, and Senator Ernest Hollings, Democrat of South Carolina, said Monday they would move to stop any effort by the White House to help China become a member of the World Trade Organization this year, reflecting congressional anger over President Bill Clinton's response to suspicions that China has stolen U.S. nuclear secrets.

The Republican chairman of the Senate Intelligence Committee, Richard Shelby of Alabama, urged that the president or Energy Secretary Bill Richardson put a moratorium on visits by scientists from countries such as China and Iran to American national weapons laboratories and on reciprocal visits by American scientists to foreign installations.

"Our labs are not as secure as they should be," Mr. Shelby told reporters after a closed hour-long meeting with George Tenet, director of the CIA. "This perhaps is just the tip of an iceberg."

The Energy Department fired a Taiwan-born scientist at Los Alamos National Laboratory last week for security breaches after the FBI questioned him in connection with the suspected theft of nuclear-weapons designs. Investigators say they believe the scientist, Wen Ho

Pentagon Reports Success in Missile-Defense TestBy Bradley Graham
Washington Post Service

WASHINGTON — An army missile has rammed into a fast-flying test target high over New Mexico, marking an important success for the Pentagon's effort to develop weapons against ballistic missile attack, defense officials said.

The intercept on Monday by an improved version of the Patriot system followed a series of failures in other Pentagon programs to get a surface-launched missile to find and slam into a target missile speeding across the sky.

This "hit-to-kill" concept is at the core of controversial Defense Department proposals to construct a national system capable of protecting the United States against long-range missile attack.

Lee, gave the Chinese sensitive information on nuclear detonations during a visit there for a 1988 seminar. Mr. Lee has not been charged with any crime but is the prime suspect in the case.

China denies any theft and has called the allegations of nuclear espionage outlandish.

Members of the House and Senate have criticized the administration for not tightening security quickly enough and failing to keep Congress adequately informed about the seriousness of the possible breaches at Los Alamos.

David Leavy, a spokesman for the National Security Council, said Monday night the administration would work with Congress to resolve the World Trade Organization issue, but he rejected Mr. Shelby's proposal. "There's no

evidence the visitors program has contributed to any damage to national security," Mr. Leavy said.

The double-barreled attack from Capitol Hill came as Mr. Richardson and Mr. Tenet, in separate closed briefings, tried to contain the political fallout from the administration's handling of the spy case by explaining steps the administration had taken to prevent any more thefts.

Mr. Tenet announced that a retired four-star admiral, David Jeremiah, would head an independent panel of experts to review the possible harm to national security resulting from suspected thefts that took place in the 1980s and that were discovered by nuclear-arms experts at Los Alamos in 1995. Mr. Jeremiah is expected to report by early next month.

But even as the administration stepped up its defense of its response to the spy case, the White House took a blow on its trade policy with China. The warning from Mr. Helms, chairman of the Foreign Relations Committee, and Mr. Hollings, the ranking Democrat on the Commerce Committee, was issued in a letter sent to all senators.

"The continuing problems with Chinese human-rights violations, espionage and possible technology transfers," they wrote, "suggest that this is not the appropriate time for China to join the World Trade Organization."

Only two weeks ago in Beijing, Secretary of State Madeleine Albright assured China's leaders that the question of whether China was ready to enter the World Trade Organization — a decade

Indonesia City Is Hit By Fire Amid Strife

AMBON, Indonesia — Security forces fired warning shots on Tuesday to disperse crowds that gathered after a fire broke out in this riot-torn eastern Indonesian city.

The fire was near the Al-Fatah mosque, which was sheltering 3,750 Muslims who had fled religious riots. The cause of the fire, which spread through 10 houses, was not immediately known.

(AP)

Thais Arrest Suspect In Australian's Death

BANGKOK — Thai police arrested a man on Tuesday who is suspected of involvement in the murder of an Australian executive and said they had issued arrest warrants for three other people.

Police in the central province of Nakhon Sawan, where Michael Wansey was killed last week, said they had arrested Chalong Piempong on suspicion of being the gunman or the driver of a motorcycle used in the attack. Two of the suspects work for the ailing sugar refining company that the victim, a senior accountant, was helping restructure.

Police said that Mr. Chalong denied being involved in the murder.

(AP)

UN Report Finds Abuse in Burma

GENEVA — Forced labor, beatings, torture and confiscation of land are widespread in Burma, and abuses are getting worse, according to a UN report.

In his report to the UN Human Rights Commission, released Monday, an investigator said the government continued to intimidate its citizens and block free association and expression. The investigator visited displaced people in Thailand and said people had been driven from their land and made to do unpaid work for soldiers.

(AP)

Vatican Is Discussing Ties With Vietnam

HANOI — A high-level Vatican delegation is in Vietnam to pursue establishment of diplomatic relations and approval for a visit by Pope John Paul II.

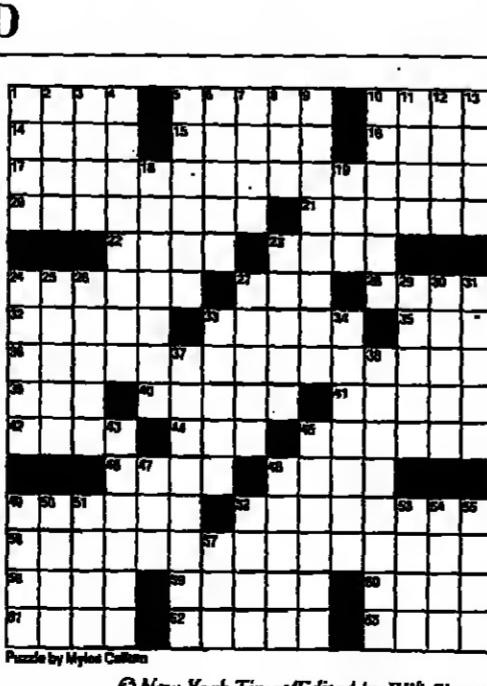
While relations between Hanoi and the Roman Catholic Church appeared to thaw slightly last year, it remains far from certain that the Communist government will offer an invitation.

(AP)

Suicide Bomber Kills 3 Outside Colombo

COLOMBO — A suicide bomber attacked just outside the Sri Lankan capital during the rush hour Tuesday night, killing three people and wounding at least 10, the police said. The explosion was near a police station in Mount Lavinia, the police said.

(AP)

CROSSWORD

FOR INVESTMENT INFORMATION
Read THE MONEY REPORT
every Saturday in the IHT.

Solution to Puzzle of March 16

TRIPPIATION	POOR
BIGA	RHOIDA
IGESQUAIRES	GRIFFIN
MARIAH	TRAINING
OLEEN	RENEE
STEWARTS	Met
leader I.W.	—
McGwire	blast
16	Fad item of 1961
17	Basketball's Archibald injured the Dalai Lama, palindromically
20	Ingratiate
21	where many changes take place
22	"Ain't you hot stuff!"

ACROSS

1 Castoff from an ice shelf

2 Kind of pad

10 N.B.A. M.V.P., 1984-85

14 United Steelworkers leader I.W. —

15 McGwire blast

16 Fad item of 1961

17 Basketball's Archibald injured the Dalai Lama, palindromically

20 Ingratiate

21 where many changes take place

22 Sci. course

23 Exceedingly shiny on top?

24 Soprano Mara

25 Wham!

26 Subsidies

27 Disgrace

28 Coach

29 Paraphernalia

30 Assail notes dressed in gray, palindromically

31 Sphere

32 Business types

33 Small drum

34 Discouraged by Dam site

35 "Well, —"

36 "I'm you hot stuff!"

DOWN

1 Deadly poison

2 Israel's Abba

3 No longer working; Abbr.

4 Happy chorus?

5 English counties

6 Certain carving

7 Diary of — Housewife

8 Caught up with Bargain hunter's delight

10 So long

11 Job

12 Clancy hero Jack

13 Spanish woman

14 Popular vacation locale

15 Ade. e.g.

EUROPE

'The Moment of Truth' Is Near, Serbs Are Told

By Craig R. Whitney
New York Times Service

PARIS — Talks aimed at ending fighting in the Serbian province of Kosovo approached impasse Tuesday, with Serbian negotiators refusing to accept a NATO peacekeeping force and insisting on extensive changes to an autonomy agreement that they had accepted last month.

"We shall sign the political agreement if they accept our suggestions," said Milan Milutinovic, the Serbian president, on emerging Tuesday afternoon from the French conference center where the talks had resumed Monday, a former hotel that was the German occupation headquarters during World War II.

But international mediators rejected any substantive changes. Foreign Minister Robert Vedrine of France, co-chairing the talks with Foreign Secretary Robin Cook of Britain, accused the Serbs of backtracking and warned: "The

moment of truth is not far away." The NATO allies have threatened to bomb Serb military targets if President Slobodan Milosevic of Yugoslavia, Serbia's real leader, accepts the agreement. The Kosovo-Albanian delegation to the talks said Monday it was prepared to sign the accord as negotiated in the first phase of the talks last month in the French castle of Rambouillet.

Though the Albanians reacted warily when the international mediators said they were willing to make "technical adjustments" to the agreement to get the Serbs to sign, and though some Albanian commanders in Kosovo are threatening to keep fighting for independence, the main problem here is now the Serbs.

"They are today going back on certain aspects they appeared to have accepted at the end of the Rambouillet negotiations, and they still totally refuse civil and above all military guarantees on the ground," Mr. Vedrine said of the Serb side in a report to the French Parliament Tuesday afternoon.

Another official close to the talks said the Serbs had demanded changes in up to 70 percent of the agreement, which would provide political autonomy to the largely ethnic Albanian majority population of Kosovo and commit up to 28,000 NATO peacekeepers for a three-year transition period. Alliance officials discussed peacekeeping arrangements with the Albanian delegates Tuesday morning.

"We will come back and continue trying to get engagement going Wednesday," said Philip Reeker, the chief spokesman for the talks.

The negotiators, with the full agreement of the contact group, have reminded the Serb delegation and Mr. Milutinovic that only technical adjustments could be considered, and that the purpose of this meeting is simply to discuss implementation," he said.

But the United States, Britain, France, Germany, Italy and Russia, the six "Contact Group" countries that convened the talks, have shown signs of disunity this week on the peacekeeping force, which would be largely European and commanded by a British general, with 4,000 U.S. troops in a backup role.

The five Western countries, all NATO allies, have insisted that no settlement would mean anything without armed peacekeepers to enforce it. But French officials have indicated that the peacekeepers might not necessarily have to be an integral part of NATO, and Russian officials in Brussels have said Russian soldiers would only participate if a Russian general shared command.

According to an official who had seen the Serb proposals, Mr. Milosevic would not accept provisions allowing the ethnic Albanians to form their own police force from former independence fighters.

Nor would the Serb proposals accept the draft's guarantee of a return to their original homes of the more than 200,000 people displaced by a year of violent clashes, this official said, and it would eliminate any possibility for the international criminal tribunal in The Hague to investigate war crimes.

Paradoxically, their position could solidify the contact group, an official said. "Nobody can say the Serbs are being reasonable and just want minor changes."

■ Yugoslav Tanks Enter Kosovo

The Yugoslav Army moved at least eight M-84 battle tanks into Kosovo on Tuesday, the first time Belgrade has sent the modern armored weapon to the region since last October, at least, Reuters reported from Pristina, Yugoslavia.

Seven of the M-84s, an advanced Yugoslav-developed variant of the former Soviet bloc's standard T-72 battle tank, arrived by train in the northern Kosovo town of Mitrovica on Tuesday from elsewhere in Serbia, international trade monitors said. "This is new," a press officer with the Organization for Security and Cooperation in Europe said.

"We've not seen this type of tank in Kosovo in the lifetime of our mission."

The draft bill sent to Mr. Yeltsin on Tuesday also stipulates that the treaty would be invalidated if the United States pulled out of the 1972 Anti-Ballistic Missile Treaty or deployed nuclear weapons on the territory of the former Soviet bloc countries that join NATO.

Three former Warsaw Pact satellites — Poland, Hungary and the Czech Republic — became full members of the Western alliance Friday.

Mr. Yeltsin's office expressed relief that the Duma had finally shown some movement on the treaty.



Riot policemen arresting a female student near Istanbul University on Tuesday. About 100 students who had gathered to honor leftists killed in a 1978 bombing were detained as security was tightened citywide.

Russians Give Arms Treaty Another Shot

By David Hoffman
Washington Post Service

MOSCOW — Days before heading to Washington for talks on refinancing Russia's debt to the West, Prime Minister Yevgeny Primakov publicly appealed to the lower house of Parliament on Tuesday to ratify the long-delayed START-2 strategic arms treaty.

At the same time, leading members of the State Duma took a procedural step toward bringing the treaty to the floor by submitting draft legislation to President Boris Yeltsin. The next step is for Mr. Yeltsin to scrutinize the draft and, if he approves, send it back for consideration.

The renewed interest in the treaty — signed by Presidents George Bush and Mr. Yeltsin in 1993, ratified by the U.S. Senate in 1996 but languishing in the Duma for years — appeared to be a prelude to Mr. Primakov's visit to Washington for talks with the Clinton administration and the International Monetary Fund.

Although Mr. Primakov has said the fate of the treaty is not linked to Western financial aid, his appearance on television Tuesday night, along with one of Russia's top missile designers and a military leader, seemed designed to push the treaty toward ratification.

Mr. Primakov leaves Sunday for Washington, where he is seeking financial assistance to roll over Russia's \$4.8 billion debt to the IMF.

Gennadi Seleznyov, the speaker of the lower house, told reporters that debates on the treaty could begin before Mr. Primakov's departure.

Such predictions, however, have often been dashed. The START-2 treaty would reduce both U.S. and Russian nuclear arsenals to 3,000 to 3,500 warheads each; the countries have agreed that, after ratification, they will immediately begin negotiating a START-3 treaty toward a goal of 2,000 to 2,500 warheads each.

The draft bill sent to Mr. Yeltsin on Tuesday also stipulates that the treaty would be invalidated if the United States pulled out of the 1972 Anti-Ballistic Missile Treaty or deployed nuclear weapons on the territory of the former Soviet bloc countries that join NATO.

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Mr. Yeltsin's office expressed relief that the Duma had finally shown some movement on the treaty.

As Charges Are Dropped, Italy Asks Why

The Associated Press

ROME — Italians appeared resigned Tuesday to the prospect that no American will face severe consequences for the ski gondola accident that claimed 20 lives last year, after most charges against a U.S. Marine crewman were dropped.

Military officials in North Carolina announced Monday that, in view of the court-martial acquittal of the pilot earlier in the month, it was "unreasonable" to go ahead with charges of involuntary manslaughter and negligent homicide against the navigator of the low-flying jet, which sliced a gondola cable last year at an Italian ski resort.

The cable car was sent slammimg into Mount Cermis, killing all aboard.

An Italian Defense Ministry official, Massimo Brutti, said in a radio interview that he had expected the Marines to drop the charges. But "someone has to be responsible," Mr. Brutti said. "We will wait for the investigation to end and for those responsible to be pursued."

"Cennis, case closed," read the front-page headline in the daily La Repubblica over its account from the United States, which began: "For American military justice, the tragedy of Cermis doesn't have any guilty parties."

RAI state radio said with the latest development the cable car affair was "growing ever more shameful."

"There are no longer any guilty for Cennis," said the leftist daily Unità.

At this point, only lesser charges, related to accusations of obstruction of justice, are left standing against both the pilot and the navigator.

On March 4, Italians criticized the pilot's acquittal on 20 counts of involuntary manslaughter.

Prime Minister Massimo D'Alema, who discussed the acquittal with President Bill Clinton in Washington, called the decision "shameful," and warned that the NATO treaty governing the presence of U.S. bases in Italy would be reviewed if no one was found guilty and punished for the cable car crash.

Italian prosecutors are still investigating the conduct of Italian military officials in connection with the tragedy.

■ Airmen Face 2nd Court-Martial

Matthew L. Wald of The New York Times reported earlier:

While the Marine Corps dropped charges of manslaughter and homicide against the pilot and navigator, it will court-martial them on charges of obstruction of justice.

The pilot, Captain Richard Ashby, 31, had testified at his earlier court-martial trial that he lent his home video camera to the navigator, Captain Joseph Schweitzer, who used it to tape an early portion of the flight, before their jet severed the cable of a gondola car at Mount Cermis.

Captain Ashby testified that after he piloted their damaged EA-6B Prowler back to Aviano Air Base, he removed the tape from the camera and replaced it with a blank tape and left the camera in the cockpit. He said he later gave the tape to Captain Schweitzer.

Captain Schweitzer has not said what he did with the tape. His civilian lawyer, David Beck, will not discuss that issue but said, "If there's no underlying crime, what are you obstructing?"

Dismissal of the more serious charges against Captain Schweitzer was expected after Captain Ashby was acquitted March 4. But lawyers for both men had hoped for an adjudication of the obstruction charges in a less formal setting, possibly involving a fine or loss of rank.

The obstruction charge, which carries a sentence of up to one year, is the last remaining count that could result in punishment for any Marine officer involved in the accident.

The squadron commander has been relieved of command and the squadron safety director has had a letter of reprimand inserted in his record.

The obstruction charge was filed after one of two crew members in the rear cockpit, who was granted immunity, told prosecutors about the tape.

Captain Ashby said at his trial that Captain Schweitzer had tried to use the camera at the beginning of the flight, before it began its low-level training.

12 in Holland Die From Legionnaires'

AMSTERDAM — An outbreak of lethal Legionnaires' disease at a Dutch flower show claimed the life of three more victims Tuesday, raising the death toll to 12, the health ministry said.

At least 33 other people were infected with the pneumonia-like illness while visiting an annual flower event in Bovenkarsel, about 65 kilometers (40 miles) north of Amsterdam, the ministry said in a statement.

Health officials said autopsies confirmed that all 12 victims died from the bacterial infection, which is spread through droplets of contaminated water. (AP)

Spain Doubts ETA Really Seeks Peace

MADRID — Six months after the Basque separatist group, ETA, announced a cease-fire, the Spanish government voiced fresh doubts Tuesday about whether the guerrillas were serious about seeking a lasting peace.

Spanish officials expressed satisfaction that ETA had stopped killing but said an intensifying campaign of firebombings and threats by rebel supporters was making it all but impossible to begin a genuine peace process.

"There is a truce in effect, but there is no authentic search for peace" by ETA and its allies, Interior Minister Jaime Mayor Oreja told Radio SER. (Reuters)

Citizenship Law Advances in Bonn

BONN — Chancellor Gerhard Schroeder's cabinet approved a modernization of Germany's 1913 citizenship law Tuesday, bopping to end weeks of debate about the integration of foreign residents.

The bill would give automatic German citizenship for the first time to children born to foreign residents. (AP)

Ulster Seeks FBI Aid on Slain Lawyer

By James F. Clarity
New York Times Service

DUBLIN — The Northern Ireland police chief said Tuesday that an independent police official from the British mainland and the Federal Bureau of Investigation of the United States would investigate whether there was police collusion in the killing on Monday of a prominent Roman Catholic human rights lawyer.

The lawyer, Rosemary Nelson, 40, was killed in Lurgan, about 30 miles (about 50 kilometers) southwest of Belfast, on Feb. 26, by a car bomb placed by a Protestant splinter group, the Red Hand Defenders.

The group is dedicated to destroying the peace agreement approved 10 months ago to end 30 years of sectarian violence

in the British province.

The overwhelmingly Roman Catholic Irish Republican Army and the main Protestant paramilitary groups have been holding a cease-fire while their political representatives try to make the agreement final by this Easter. Their work has been stalled by a dispute over disarmament of the paramilitary groups, particularly the IRA.

The chief constable of the Royal Ulster Constabulary, Ronnie Flanagan, said on Irish national radio that the police chief David Phillips, of Kent County, England, and investigators from the FBI would work on the case, including allegations that the Northern Ireland police had themselves threatened Ms. Nelson.

"There is no evidence to substantiate collusion," Mr. Flanagan said. "There

is no doubt about the professionalism" of the northern police force. Officials of Sinn Fein, the political wing of the IRA, responded immediately that one British policeman could not be trusted to investigate honestly the operations of another. They did not mention the FBI nor did Mr. Flanagan give details about the size of the American unit he expected to visit the North.

After the killing in the town of Lurgan, west of Belfast, there were disorders in Catholic areas. But the North was quiet Tuesday and political officials and the police said it did not appear that there would be more violent reaction.

Ms. Nelson was a leading advocate of Catholics accused of terrorist offenses by the British government. Most of them have been released.

BRIEFLY

U.S. Searches for Crash Victims

POR-AU-PRINCE, Haiti — U.S. Coast Guard crews worked Tuesday to recover the bodies of 13 people who perished in a UN helicopter crash in the mountainous terrain north of Port-au-Prince.

The helicopter, carrying six Argentines, six Russians, and one American, crashed Sunday night.

The American was identified as retired Brigadier General Erol Van Eaton of the Oregon-based International Charter Inc., which loaned two Russian helicopters to the United Nations for its mission in Haiti. (Reuters)

Clinton Calls on Cuba to Free 4

WASHINGTON — President Bill Clinton has denounced Cuba for giving jail sentences to four well-known dissidents and appealed for their immediate release.

In a brief written statement, Mr. Clinton said he was "deeply disappointed" that the Cuban government had sentenced the activists, convicted of inciting sedition, to prison terms. "They were tried without fair process, behind closed doors," he said. "I call on the Cuban government to release them immediately." (Reuters)

RIGA, Latvia — Hundreds of Latvian Waffen SS veterans paraded in the capital Tuesday to remember their World War II fight on the Russian front, despite criticism the event was an insult to Holocaust victims.

Some 146,000 Latvians were drafted by the Nazis into a Waffen SS unit in 1943 and 1944 in a last-ditch mobilization effort.

The annual Latvian Legion march, opposed last year by Jewish groups, Russia and the West, was criticized again as glorifying defenders of the Third Reich. (Reuters)

Iraqi Hajj Plane Defies Flight Ban

The Associated Press

BAGHDAD — Iraq took advantage of the annual Muslim pilgrimage to Mecca to violate United Nations sanctions Tuesday by flying 110 pilgrims to Saudi Arabia.

An Iraqi cargo plane took off from the Rasheed air base, south of Baghdad, and landed a few hours later in Jidda, the Saudi entry point for pilgrims going to Mecca.

"We have not contacted anybody for approval," Rabi Mohammed, director-general of Iraqi Airways, told the official press agency, INA.

UN sanctions imposed after Iraq's 1990 invasion of Kuwait bar direct flights to and from Iraq. Various requests by Baghdad for exemptions from the ban have been denied.

Iraq will fly at least two more planeloads of pilgrims to Saudi Arabia during the hajj this year, said Abdul Munim Ahmed Saleh, minister of endowment and religious affairs, who was aboard the flight Tuesday.

The government was clearly proud of the flight — the second time in two years it had broken UN sanctions for the hajj. Baghdad invited foreign reporters and television crews to

cover the takeoff. State-run radio and television interrupted programming to say that the first batch of Iraqi pilgrims had left for Mecca.

Many of the 110 pilgrims, who were mostly elderly people and included 33 women, knelt down on the tarmac to pray before boarding the flight.

The passengers sat facing each other on benches fixed to the sides of the Russian-made IL-76 plane.

"We get into this plane and our message is that the world should listen to us and understand our problem," said a passenger, Hassan Othman, 62.

In April 1997, Iraq flew 104 pilgrims to Saudi Arabia, also on an IL-76. That plane returned the same day. The UN Security Council responded to that flight by issuing a mild statement that called on Baghdad to obtain permission for such flights in the future.

Only a few Iraqis can afford to pay the \$1,500 minimum cost of performing the pilgrimage to Mecca. About 4,000 are scheduled to make the trip this year, and most of them will travel overland by bus.

The government was

INTERNATIONAL

Trademark Traits Bring Cresson's Career to Close

By Joseph Fitchett
International Herald Tribune

PARIS — Taking up a sought-after appointment on the European Commission in Brussels four years ago, Edith Cresson seemed to put a safe distance between herself and her image from early in the decade as a headstrong politician with a knack for insulting remarks, including slurs against Britain and Japan when she was France's first female prime minister.

EU: Commission Resigns

Continued from Page 1

Several leaders welcomed the commission's resignation as a chance to reform European institutions, and "begin with a clean slate," as Prime Minister Wim Kok of the Netherlands put it.

Mr. Santer said neither he nor any of the commissioners had personally benefited from fraud or corruption, and bitterly criticized the 144-page report. He said it had discredited four years of hard work under his command, and had ignored efforts he had made to reform the commission and root out corruption.

He said the report had naked over old facts and then had added a political assessment that did not conform with those facts.

But that assessment was scathing. It drew a picture of a commission utterly out of touch and out of control. Of the commissioners, who are responsible for initiating EU legislation and safeguarding observance of EU treaties, the report said it had become difficult to "to find anyone who has even the slightest sense of responsibility."

The committee of experts had kept its investigations a close secret, and the conclusion came as a shattering surprise to the commission, who spent hours debating their reaction before deciding to hand in their resignations.

Until recently, Mr. Santer was reported hopeful that the committee, which was set up in January with the European parliament, would exonerate the commission from the charges of graft, corruption and crookedness that have hung over it since long before its took office. But it did the opposite, and Mr. Santer said the commission was left with no choice but to comply with his earlier promise that the leadership would "assume the consequences" of a negative report.

Never before has even one commissioner had to step down.

Pauline Green, the leader of the powerful Socialist group in the Parliament, said the commission had done "the honorable thing," and that in stepping down it was finally acting with "some dignity and integrity."

Mr. Kinnock, the commissioner in charge of transport, said "We made a clean break," and said the commissioners had mitigated the damage that would have occurred had the commission decided to soldier on in the face of parliamentary opposition and public hostility.

There was clearly some resistance to the decision to resign en masse, Karel van Miert, the Belgian commissioner in charge of antitrust policy, said, "They act as if everything here went wrong," adding, "the departments that worked well have not been discussed or commissioners contacted so it is unfair to pretend that everything here just failed, that is wrong."

Mr. Santer described himself as "whiter than white," and when asked if he had done anything with which he could reproach himself, he replied angrily, "perhaps to resign."

The report flayed the commission for lack of accountability, lack of openness and a strategy of cover-up. It acknowledged that the commission had been given many new challenges to deal with in recent years, but had not taken the correct political steps to ensure it had adequate resources to handle these programs instead, it handed many of them over to outside contractors and then failed to supervise them properly.

The report was a shattering critique of Mr. Santer. It said he had allowed a "state within a state," to develop in the commission's security service, for which he was personally responsible. Security officials, mostly recruited from the Belgian police force, arranged "small favors" for senior commission staffers, such as obtaining the cancellation of police fines for parking offenses and drunken driving, the committee said.

But her reputation for crookedness and arrogance, which worsened her unpopularity during 10 months in office, surfaced again Monday in revelations about her record in Brussels that put Mrs. Cresson, 65, at the center of the commission's collective resignation.

Her offenses may have been little worse than those of others in a commission thought to be mediocre in performance, but Mrs. Cresson's salty tongue and spiky reputation may have done her damage, as they did when she was a politician in France. A militant Socialist who shared President Francois Mitterrand's habit of defying conventional practice and promoting personal friends to high positions regardless of their professional skills, Mrs. Cresson was named prime minister in 1991 and plummeted to record lows in popularity.

She had to contend with male resentment, coupled with jealousy at the success of a woman who was perhaps a feminist but who also made an secret of her friendships with male Socialist leaders, including Mr. Mitterrand. When she chose an outsider, Abel Farouk, as an industrial adviser and special aide with wide-ranging powers, bureaucratic suspicion and resistance further undermined her authority over the French government.

Her contempt for political tact surfaced in a string of public gaffes as prime minister, including an occasion when she announced that she did not care about the ups and downs of the French stock market. She publicly ascribed Japan's economic success to the "andlike" character of the Japanese. And she said that one of our four Englishmen and Americans must be homosexuals because they failed to notice her in the street.

Named to the commission in 1994 by Mr. Mitterrand shortly before the end of his presidency, Mrs. Cresson was forced from the job Tuesday when an panel's report said that she was guilty of "favoritism" in appointing a friend to a commission position as an AIDS expert, a job for which the denier had little evident qualification but which paid well — apparently for little or on work.

While none of the commissioners was accused of personal enrichment, the report named Mrs. Cresson as one of several who mismanaged the programs they were overseeing. Pointedly, it accused her of "failing to respond to known, serious and continuing irregularities over several years."

Her attitude antagonized investigators and activists in the European Parliament so strongly that Mrs. Cresson seems to have personally helped envenom the situation to the point where the entire commission had to resign or be dismissed by a no-confidence vote in the Parliament.

"I have no regrets," Mrs. Cresson said Tuesday, blaming political naivete for the events.

Despite her defiance, Mrs. Cresson has apparently ended her political career.

Even before the scandal, she had become a lightning rod for criticism in Brussels. Fellow commissioners were often privately critical of her, and any criticism of her got extensive coverage in London newspapers.

A Paris daily, *Liberation*, disclosed her potential problems with dubious hiring practices last year when its reporters noticed a fellow journalist in what seemed a phantom position on her staff. Mrs. Cresson stonewalled queries, triggering a wider campaign for explanations.

Her disgrace in Brussels reignited venom against Mrs. Cresson in France, with the media Tuesday blaming her for discrediting the commission.



SHAKE ON IT — From left, Prime Minister Milos Zeman of the Czech Republic, Prime Minister Jerzy Buzek of Poland, Secretary-General Javier Solana of NATO and Prime Minister Viktor Orban of Hungary at a Brussels ceremony Tuesday welcoming the nations into the North Atlantic Treaty Organization.

Taking the West Bank, Hill by Hill

By Deborah Sontag
New York Times Service

ELI, West Bank — From this entrenched Jewish settlement on a hill above the Palestinian territories, the vista is dotted for miles around with what the Israelis call facts on the ground. Almost every hilltop bears a scattering of mobile homes, evidence of the ongoing and willful expansion of the Jewish presence in the West Bank.

The hills are truly alive with the sound of hammers, buzz saws and bulldozers as Israelis — with the manual help of Palestinian workers — dig into the land. They aim to sink their roots as deeply as possible in the hope that the acres they occupy now will never be turned over to the Palestinian Authority.

"When they built the hill, we climbed on up," said Orla Levstein, 17, whose family moved from Eli, which is almost suburban, into a tin shack on a barren hillside nearby. "We felt like pioneers."

"At first it was terrible — no water, no electricity. But now we have our trailers, and it's gorgeous. Look at this view! At night you see all the land of Israel. What, we should let the Arabs have it?"

For months, Palestinian leaders have voiced persistent criticism about the growth of Jewish settlement communities in the West Bank, and particularly in the stretch of rocky hills between the Palestinian cities of Ramallah and Nablus. In the last few days, American diplomats have turned up the pressure on Israel to contain the expansion, in a war of words played out through the media.

Last weekend Dennis Ross, the Middle East peace envoy, in an unusual public rebuke, called increased settlement activity "very destructive to the pursuit of peace."

On Monday, Prime Minister Benjamin Netanyahu of Israel, defying the American criticism, visited a West Bank settlement, vowing, "We want it to be bigger." And Tuesday, the American Embassy in Tel Aviv issued a pointed response: "We have been troubled by Israel's expansion of existing settlements well beyond their periphery."

The embassy statement was released as Mr. Ross was flying to Madrid to see Yasser Arafat, the Palestinian leader, in a

meeting hastily scheduled at the last minute. Mr. Ross was expected to press Mr. Netanyahu to delay a declaration of statehood beyond May 4, and some Palestinian officials said they believed that the American criticism of Israel was timed to make Mr. Netanyahu more receptive.

The most recent Israeli-Palestinian peace memorandum, negotiated at the Wye Plantation in Maryland last fall, prohibits both sides from taking unilateral actions to jeopardize their understanding. The Americans, who brokered the agreement, see both a May 4 statehood declaration by Mr. Netanyahu and continued settlement expansion by Israel as unilateral acts that violate the accord.

The Israelis contend that they are ex-

pecting — increasing by about 9 percent a year — can be "very destructive to the pursuit of peace."

panding settlements based on the natural growth of the 140 communities; they say that the settlements are theirs to expand until their future is decided in the final status negotiations, which have yet to begin. Indeed, Foreign Minister Ariel Sharon counseled the settlers last fall to make basic by "grabbing hilltops" before land was turned over to the Palestinians.

But the Americans and the Palestinians contend that the expansion is unfairly carving out new Jewish communities.

"These activities prejudice and pre-determine issues that were to be reserved for permanent status negotiations by changing realities on the ground," said Larry Schwartz, the U.S. Embassy spokesman.

The American Embassy closely monitors settlement activity, which has long been a bone of contention between the Americans and the Israelis. Officials there would not release their data.

But Israeli and American peace groups who also monitor the West Bank claim that 16 new settlements have arisen in the last five months, since the Wye accord was signed in a ceremony at the White House. The trailer communities, blocks of white rectangles atop the highest hills, are as conspicuous as the banks of new house frames that stand beside the established communities.

"The system is very simple," said Mossi Raz, the general director of Peace Now in Israel. "The settlers go to a hill, most of the time next to the settlement where they live and in some cases outside the boundaries. They put up some trailers. They build a road to the place.

And nobody does anything about it, not the police, not the army."

For the last five years, the settler population has grown at a rate of about 9 percent a year to 170,000 Jews living amid Palestinians in the West Bank and Gaza. Peace Now said the vacancy rate in the settlements hovers around 8 percent or 9 percent, negating the argument that there is need to expand.

But Pinchas Wallerstein, the chairman of the Yesha Council, the umbrella settlers' group, said it is turnover. He also said he hoped to see a greater spurt at the end of this school year.

"I hope it will increase by 12 percent this year," he said. "But I don't know that there are a lot of people who will be willing to pay \$100,000 for a house in the middle of an area where the political situation is unstable. I can give them a narrow caravan, but if they want to live in a permanent house, they have to pay for it."

Mr. Wallerstein discounted most of the new hilltop communities.

"They are very young fellows or families who stay there to make a point, but the living conditions are too difficult. There is growth in the settlements, but it is not in the hills."

He pointed to a six-month-old outpost of four families between Eli and Shilo, in an area at the dead center of the West Bank that is experiencing the greatest growth.

Eli is 14 years old and home to 400 families, both religious and secular, about 20 percent of whom are new immigrants. A sign at the foot of the hill that leads there promises houses "with cable!"

The municipal head, Lior Shul, boasts of the quick commute to Jerusalem and Tel Aviv.

"There are those who come here for quality of life, and those who come for that plus ideology," he said. "Both ways, we grow. We continue to build. This government comes and this government goes, and nothing changes but what sits on the ground."

Drivers Angry At Fuel Rise Bring Ecuador To a Standstill

The Associated Press

QUITO, Ecuador — Angry bus drivers joined striking taxi drivers Tuesday, barricading streets and bringing traffic to a standstill across the country in an effort to force the government to revoke a gas price increase.

In a harsh austerity package announced last week, President Jamil Mahuad proposed spending cuts, price rises and tax increases he says are needed to rescue this indebted Andean nation from its worst economic crisis in decades.

Commuters waited fruitlessly at bus stops Tuesday while others crossed barricades of yellow taxis, burning tires and club-wielding drivers to get to work.

The government, empowered by a 60-day state of emergency, said it would clear the barricades. Soldiers armed with automatic weapons patrolled the streets of major cities Tuesday.

Government representatives met Monday with strike leaders and opposition politicians, but failed to find a solution to the standoff. Spokesmen said they would continue meeting.

Many of the reforms, especially tax increases and laws to speed up privatizations, must be approved by Congress, where Mr. Mahuad's centrist Popular Democracy Party lacks a majority. Congress has 30 days to rule on the measures.

But Mr. Mahuad's hopes of passing the reforms dimmed when the powerful conservative Social Christian Party, which had supported him on previous measures, called the reforms "inhuman" and vowed to block the tax increases.

The economic crisis in Ecuador was set off by last year's El Nino floods, which caused \$2.6 billion in damage, and low world prices for oil, the main export.

To protect banks from a run on deposits, Mr. Mahuad ordered them to shut last week and froze all dollar savings accounts. The banks reopened Monday, with anxious customers lining up for hours to withdraw what they could.

World Bank Offers Support

The World Bank offered "direct support" Tuesday for the government in efforts to overcome Ecuador's economic crisis, Agence France-Presse reported from Washington.

The president of the World Bank, James Wolfensohn, said, "The current economic developments in Ecuador are a source of great concern to us at the World Bank as well as to the entire international community."

Officials from the World Bank, International Monetary Fund and Inter-American Development Bank were in Ecuador to help with a rescue package.

POLL: Gore's Image Trouble

Continued from Page 1

tion about Mr. Gore and one out of five about the Texas governor to know who should be president.

Mr. Gore's aides said he is just setting out to emerge from the large shadow Mr. Clinton casts and said they were confident he could establish the leadership profile people seek in a president.

But Gerry Chervinsky, an independent pollster in Boston who has done much work in the leadoff primary state of New Hampshire, said: "There is trustworthiness. He is a solid player. But there's nothing inspirational about the guy. I don't see Gore connecting."

While six out of 10 of those polled say they approve of the job Mr. Gore is doing as vice president, that does not translate into support for the top post. Nearly four out of 10 of those who approve of Mr. Gore as vice president — 38 percent — say they would vote for Mr. Bush.

At this early stage of the process, with potential Republican challengers such as Mr. Bush and Mrs. Dole having formed exploratory committees but not formal declarations of candidacy, the images of the candidates are only vaguely formed and are subject to change.

"Despite his career and his high profile within the administration," an aide said, "the vice president is a blank slate. When he appears as a presidential candidate, people will begin to understand what he's about."

NORTH KOREA: Assent to Inspections

Continued from Page 1

North Korea's closest ally, might have exerted on the isolated Pyongyang government.

The agreement comes at a time, however, when U.S.-Chinese relations have been strained by disputes on human rights abuses in China and trade issues. They also have been taxed by U.S. consideration of extending a missile-defense program to parts of Asia.

The Clinton administration has insisted that engagement is the best approach with both China and North Korea.

Critics in Congress, however, say the United States is providing food and succor to a rigid Stalinist government that bears the primary responsibility for its people's suffering, and which some suspect has defied the 1994 agreement.

A missile test by North Korea in August — it fired a missile that flew over Japan — heightened concerns in Washington, Tokyo, and Taipei. That test helped build support in Congress for the idea of a national missile-defense system, possibly to be extended to U.S. friends in Northeast Asia.

Candidates in the East Watch Commission's Drama Nervously

By Peter S. Green
International Herald Tribune

PRAGUE — Watching nervously from the sidelines, Central and Eastern European candidates for EU membership say that without a swift resolution of the crisis caused by the European Commission's unanimous resignation, eastern expansion of the Union could be delayed.

Some officials in the region said that if the resignation pushed internal EU reforms off the table at the Union's Berlin summit this month, the Union would not be able to move ahead quickly on taking in new members.

"There is a clear fear concerning the Berlin summit, and that is if the Agenda 2000 is on the table then," said Ewa

before a new commission was appointed, the process was already well under way, and he believed, irreversible.

"It would not really undermine our efforts," he said, "because a month more or less won't make a difference. I would be doubtful that there could be any major U-turn on enlargement."

In Budapest, Zsolt Becsey, a Foreign Ministry spokesman, said the timing of the commission's resignation, just three months ahead of scheduled elections to the EU parliament, means its effect on expansion bills will be minimal.

He said Hungary already expected to be dealing with a lame duck commission from June and an extra three months would make little difference.

"The commission has already

launched their initiatives," he said, "and the ball is already in the court of the member states."

But the aspiring members are impatient. Three years ago, they were promised membership in the EU by 2000, in speeches by President Jacques Chir

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EDITORIALS/OPINION

Herald Tribune
INTERNATIONAL**A Push for the Irish**

The parties to the Northern Ireland dispute have taken to descending on Washington for a political booster shot on St. Patrick's Day, March 17. It is a tribute to their confidence in the United States as a mediator and to Bill Clinton personally.

This time the visiting parties seek help to untie the tight knot of de-commissioning, or disarming, the outlaw militias of the two sides in Northern Ireland, especially the Catholic minority's Irish Republican Army.

The conveyance of this issue to Washington is being widely depicted as the "last chance" to save the nearly year-old Good Friday peace agreement. It is being said, in order to describe the situation and to stir the two sides to loosen up, that there is no Plan B.

Perhaps there is no Plan B in the sense of a well-wrought comprehensive alternative to end three decades of bloody sectarian conflict. But there are various ways to address the unquestionably overwhelming interest that the two sides have in making the Good Friday agreement come alive on the ground.

The two need to open up to some of these negotiating possibilities. It is not enough for them simply to keep repeating that their respective consciences — the Protestant majority, the Catholic minority — are already stretched to the limit and cannot be expected to make a further move.

As T.R. Reid wrote in The Wash-

ington Post on Monday, the IRA is believed to have thousands of secret caches containing hundreds of tons of weapons. Whatever the precise count, it amounts to a formidable force that would allow the IRA, if it chose, to resume military action on a broad scale. And not only the IRA. In Monday's car bombing against a prominent Catholic human rights lawyer, responsibility was claimed by a newly outlawed Protestant group.

Still, Unionists are right to demand a credible start on disarming by the IRA. If the demand is out in the literal letter of the Good Friday agreement, it is certainly in the essential spirit. It is unthinkable that one political party should go through a negotiation possessing and implicitly flourishing a private army.

But the Republicans have right on their side, too, in the other crucial regard now in play. They demand a prompt start on the actual establishment of the power-sharing arrangements that make up the core of the Good Friday pact. It is unthinkable that one political party should maintain and exploit an old monopoly of political power after a new agreement to share power has been made.

If the courage of the Northern Ireland sides is out up to their double task of dealing with disarming and power sharing, then the Clinton team can help them pick up the slack.

—THE WASHINGTON POST.

Washington and Chile

One of the lingering mysteries about Augusto Pinochet of Chile is whether Washington aided in the 1973 military coup that brought him to power and how much it knew of the murders and forced disappearances committed by his government. Beginning with an investigation by a Senate committee in 1975, tantalizing bits of information have emerged about failed CIA efforts to keep the Socialist Salvador Allende from becoming president in 1970, and the CIA's ties to General Pinochet's intelligence organizations. Now, if the Clinton administration carries out a well-designed plan to declassify its information on Chile, the details of America's role may be known.

The administration ordered the review because of a surge of interest in General Pinochet that developed after his indictment last year by a Spanish magistrate. The plan was released to the public at the prodding of the National Security Archive, a nongovernmental group. It directs the State, Defense and Justice departments, the CIA and the National Security Council to search their files for information on human rights abuses and terrorism in Chile, beginning with the period from 1968 to 1978. The directive asks the

agencies to complete their initial release of documents by mid-May. All documents will be treated as if they were more than 25 years old, making them much easier to declassify.

The State Department has led the move toward openness, but cooperation from the Pentagon and the CIA is a question mark. The Defense Department has lagged behind other agencies in releasing documents in the past, and probably holds a trove of important information regarding Chile.

The CIA's reluctance to declassify documents on Chile in the files of its operations directorate is particularly unfortunate. The 1975 Senate investigation found that the agency had run numerous covert operations to keep Mr. Allende from becoming president. Declassified documents show that in 1970 President Richard Nixon instructed the CIA to organize a military coup. The Senate report also mentioned the agency's ties to the most sinister of General Pinochet's secret police organizations.

The CIA recently released crucial documents on its role in Guatemala's violence. It should now reveal the truth about all its activities in Chile.

—THE NEW YORK TIMES.

A Sour Boxing Night

Somebody once called boxing the sweet science, but there was nothing sweet about last Saturday night's Evander Holyfield-Lennox Lewis heavyweight title bout, or scientific about the collective wisdom of the three judges who called it a draw. Mr. Lewis was clearly the superior fighter for most of a dreary evening, and one judge actually awarded him the fight. A second judge called it a draw, while a third astonishingly gave it to Mr. Holyfield. The fighters will continue to share the site. The only clear winners were the promoters, who will stage a rematch in six months.

This bout was supposed to be a big shot in the arm for boxing in New York, a fight that would establish one clear champion in the heavyweight division and bring back the glory days of Madison Square Garden. When it ended the way it did, the state's leading politicians were furious and out a bit bashful about raising the possibility of fraud. Mayor Rudolph Giuliani, who watched the bout on television along more than a million others who paid for the privilege, called the result a "travesty" that could lead reasonable people to conclude that "someone had altered the honest judgment of the judges." Governor George Pataki ordered an inquiry by the State Athletic Commission, while Eliot Spitzer, the state attorney general, began a separate inquiry. Mr. Spitzer suggested that the judges were guilty of "tampering or incompetence."

—THE NEW YORK TIMES.

The official who ruled in favor of Mr. Holyfield, Eugenia Williams, stands by her verdict. She said she had "scored by the blows that connected," even though the television audience saw, and the official computer recorded, a lot more blows by Mr. Lewis than by Mr. Holyfield. Her views deserve a fair hearing, but so, too, do the suspicions of those who believe that the people who control boxing had much to gain from a draw — not least Don King, the promoter who organized this bout and stands to benefit from a rematch.

If either the athletic commission or the attorney general turns up evidence of fraud, then other law enforcement figures, including District Attorney Robert Morgenthau, should be prepared to take the investigation further. Boxing is suffering from widespread public mistrust. A good fight and a fair verdict in Madison Square Garden would have done it worlds of good. That did not happen, and it is important to ask why.

—THE NEW YORK TIMES.

Now Let's Have a Democratic Overhaul of Europe

LONDON — With the resignation of the European Commission on Tuesday, the Europeans have experienced their equivalent of the Boston Tea Party. This has the potential to be the biggest democratic overhaul in Europe since the collapse of communism.

Commissioners are appointed by national governments. No doubt a game of musical chairs will preoccupy all the Union's leaders in the months to come. If this process is handled correctly, it may bring huge benefits for Europe.

Traditionally, commissioners were people who were senior in their own home states but for one reason or another had fallen foul of their national political systems and had to be rewarded with a fat international job. This is now certain to change. Governments will pay particular attention to the people they send to Brussels.

Many careers will be made there. A dual process whereby politicians start their careers in Brussels and continue them in their own countries later is essential for the democratic cohesiveness of the future Union.

By Jonathan Eyal

Under the presidency of Jacques Delors during the 1980s, the commission acquired the functions of a government, with no political accountability but huge powers. The current debacle cuts the commission down to size, and returns the body closer to the original role for which it was conceived.

Smaller member states which depend on the commission for protection and have viewed this body as their main vehicle for influencing European events may not like the idea. But the Union's big paymasters, including Germany, are likely to be satisfied. The fiduciary of equality between member states will be slowly eroded, and that will make the Union a better functioning body.

The European Parliament, that toothless institution which resembled the Supreme Soviet of Communist times in Moscow, has become a real power. Expect heavy participation in the voting for the new Parliament in

June, and a new democracy flourishing in Brussels. The process may not be neat, but the trend is unmistakable. Parliamentary accountability has arrived, even in the European Union.

It is possible to argue that the resignation of the commission can slow down other reform projects in the Union, but this need not be the case. Decisions about the Common Agricultural Policy and reform of the budget belong to national governments.

The start of enlargement negotiations with the Central European states does depend on a functioning commission. But these negotiations have already been delayed (because they can start only when the other internal EU questions are resolved), and they can be conducted by the outgoing commission, which remains in office until new appointments are made.

Individual EU governments should capitalize on this crisis, for the good of all. They should re-examine those commissioners who are beyond reproach for a transition period. They should appoint Leo Brittan,

the senior British commissioner, as president for an interim period. This will allow Tony Blair, the British prime minister, to claim that it is Britain now which is leading the process of reforming the Union, a useful claim as he embarks on the fight to introduce the euro into Britain.

The other member states may go along with this, if only because Leon Brittan will be retiring soon. But, regardless of what happens in the next few days, it is clear that the culture of Brussels, with its opaque, French-dominated administration, collecting huge salaries and accountable only to itself, is now dead.

A new Union is being born. It will be leaner and more democratic, but also more chaotic. In short, it will represent Europe as it is, rather than the continent imagined by the graduates of the grandes écoles in France.

The writer, director of studies at the Royal United Services Institute in London, contributed this comment to the International Herald Tribune.

Question and Answers: Why Does America Prosper So?

By Robert A. Levine

LOS ANGELES — Vigorous American growth is the pump that keeps the world economy from collapsing. But why is the United States doing so well?

U.S. success has been variously attributed to wise microeconomic policy (structural flexibility) and macroeconomic policy (Alan Greenspan) and to the hungers of the American consumer.

Each of these explanations has some truth, but the more fundamental reason is that the United States is riding the current technological wave of growth, the information revolution. This is illustrated by a few statistics plucked from American and European sources.

Why is America so much higher than on the current wave than its competitors? The reasons lie in traits that define the American way of life.

• The United States is a huge single market. The European Union, even before monetary union, approached the same large singularity, but the EU lacks most of the other characteristics.

• The United States is a unique (with Canada) in being an immigration nation. My generation of East European-rooted Jewish kids achieved a hell of a lot. Now, although a few Americans may be going nativist, most of

us thrill to the fact that perhaps two-thirds of the high school and college students winning science and other prizes have Asian names. Many are U.S. natives. Amazingly, many others crossed the Pacific knowing no English but quickly learned the language and much more.

• Politically incorrect as it may be to say so, the United States is the most anti-racist of developed nations. It still has more problems than most and has a long way to go, but is working far harder to get there.

Where are the Indian-Pakistani caucuses in the House of Commons, the Algerian group in the National Assembly, the Turkish caucus in the Bundestag, the Koreans in the Japanese Diet?

• Finally (for this list), the much maligned American educational system turns out product adapted to the current world economy. Whether this is true, for the troubled primary

gine; the railroad and telegraph revolution; the near simultaneous onset of electrical power, the automobile, the airplane, the radio and the movies; the post-World War II agricultural, health and television revolutions. Each of these waves rose to a crest, then fell to an economic crash. And beware, we will see the information revolution.

• The United States retains a strong tradition of social fluidity based at least in part on personal capability. The same is true of France and Japan. It is not true of Britain, which otherwise resembles America in many characteristics.

• The United States is unique (with Canada) in being an immigration nation. My generation of East European-rooted Jewish kids achieved a hell of a lot. Now, although a few Americans may be going nativist, most of

Reports for the rest of the world do not provide directly comparable data, but some indication of the shortfall relative to America is provided by the French statistical institute. In 1994, the per capita U.S. effort on technological research and development exceeded France's by almost half. Only Japan came close to the United States, and not very close. Germany was at about the French level, Britain significantly lower.

The information revolution is new, but it is the latest of a series of such waves that have risen and fallen since the industrial revolution.

Analysts who do not read history exclaim that we are in the throes of the greatest world change since — the last millennium? the one before that? They would be hard put to demonstrate that modern information processing is more revolutionary than the steam en-

"If you hit five out of five, you won't do well here," explained Dan Scheinman, a Cisco vice president. "People like that aren't taking enough chances. If you hit eight out of 10, that's the Cisco way."

Washington is a city of five-out-of-five people, driven by an ingrained intolerance of failure.

—THE NEW YORK TIMES.

WASHINGTON — Between visits to some of Silicon Valley's hot companies, I found myself puzzling over a question: What is it that makes the high-tech world feel so alive and bursting with energy at a time when the culture of official Washington seems so dead?

The best answer I can offer is something I heard at Cisco Systems, a wildly successful company that is building the Internet with its fast routers and switches.

This kind of atmosphere is destructive of creativity and initiative. I cannot imagine a good newspaper, for example, surviving under the kind of microscopic scrutiny that is applied to public officials.

The phrase "I made an honest mistake" is not one you hear much in Washington.

Washington is a compulsive, risk-averse, excuse-making, blame-shifting, afraid-of-falling-off-the-greasy-pole kind of town. Any mistake is a potential career-killer. Politicians are that way, obviously. No wonder they don't pass laws any more. It's

misjudgment, misstatement or inconsistency that makes you instantly subject to second-guessing from members of Congress, consumer watchdogs, independent councils and, yes, from the 20-20 hindsight brigade in the press.

This kind of atmosphere is destructive of creativity and initiative. I cannot imagine a good newspaper, for example, surviving under the kind of microscopic scrutiny that is applied to public officials.

Hold on, you say, what about President Bill Clinton? He is hardly a zero-defect guy. That is true, but the problem is that he pretends to be one. That is the Washington way. He is a flawed man, but the problem is that he pretends to be one. That is the Washington way.

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too risky. They might make a mistake; someone might object.

If you want a stunning example of what the zero-defect mentality has created, take a look at the modern CIA. They have become so worried about running afoul of lawyers and congressional oversight committees that in recent years, they have almost gone out of the spying business. Too risky.

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and secondary educational sectors is an unanswered question. There is no question, however, that American higher education works best. It produces the information revolutionaries, and attracts them from abroad. To the benefit of the U.S. economy, many of them stay.

To be sure, U.S. advantages are for this technological wave; as recently as the 1970s, the culture imposed a strong disadvantage during the oil crunch. Further, the downside of U.S. flexibility is growing income inequality and fraying of the safety net, factors that could tear society apart when the wave ends. What rises higher falls deeper.

But for the moment it works.

The writer, an economist and former official in the U.S. executive and legislative branches, contributed this comment to the International Herald Tribune.

To Succeed, the Entrepreneur Has to Be Able to Fail

By David Ignatius

Any screwup, misjudgment, or inconsistency makes you instantly subject to second-guessing from members of Congress, consumer watchdogs, independent councils and, yes, from the 20-20 hindsight brigade in the press.

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OPINION/LETTERS

Russia's Arms Reduction Should Top U.S. Agenda

By Thomas L. Friedman

TOKYO — I don't know about you, but I slept particularly well last Friday night, knowing that Poland, Hungary and the Czech Republic had just joined NATO. What? You say you were too disturbed by the reports of the Clinton team's lackadaisical response to potential Chinese pilfering of U.S. nuclear secrets to sleep well? You say you had insomnia over the fact that the U.S. nuclear arms control regime with Russia is crumbling?

Well, to you I say, "Don't worry, be happy." I read that the Clintonites are planning to bring Slovenia into NATO next, and if that does not make you sleep better, I cannot help you. You must be one of those nuts who still think that the most important strategic issue facing the United States is all the nuclear weapons pointed at it from Russia.

Well, if you are one of those nuts, you are going to have to look outside the administration for therapy. While everyone is yapping about whether China stole some nuclear secrets, the fact is that China has at least 20 long-range warheads capable, at best, of hitting California. Folks, Russia still has 7,000 such warheads, and Russia is falling apart.

Because President Bill Clinton's administration made NATO expansion its priority, rather than getting the START-2 nuclear missile reduction treaty with Russia implemented — which would eliminate 3,000 long-range Russian nuclear weapons — the whole arms control agenda is now drifting aimlessly.

Fact: The Clintonites, and Congress, including the Republicans, have been grossly negligent in dealing with America's nuclear arms reduction agenda, particularly with Russia.

"Preventive Defense," a new book by former Defense Secretary William Perry and his top arms control aide, Ashton Carter, reveals that when Mr. Perry and Mr. Carter were running the Pentagon they told Mr. Clinton that NATO expansion "should be deferred until later in the decade."

Mr. Perry details how he insisted at a top-level meeting with the president, on Dec. 21, 1994, that "early expansion was a mistake," because it would provoke "distrust" in Russia and under-

mine cooperation on arms control and other issues, and because "prematurely adding untried militaries" at a time when NATO itself was reassessing its role would not be helpful. Mr. Perry was overruled, in my view because of the Clintonites' zeal for Polish votes.

But that is a book about the future. The authors argue that there are three sorts of security problems that America now faces: There is the "C list" — Kosovo, Haiti and Bosnia. They dominate the headlines, require diplomatic energy to solve, carry regional importance, but in no way threaten vital U.S. interests.

Then there are the "B list" issues. These are major theaters of war — Iraq and the Korean Peninsula — where America has major interests and resources at stake, but where there is still no immediate, Cold War-like threat to its way of life.

Finally, there is the "A list." These are the strategic "near threats" that can destroy America's way of life. For the past 10 years, the immediacy of these threats has been overshadowed by the B and C lists. But the A-list threats must be reassessed as a priority.

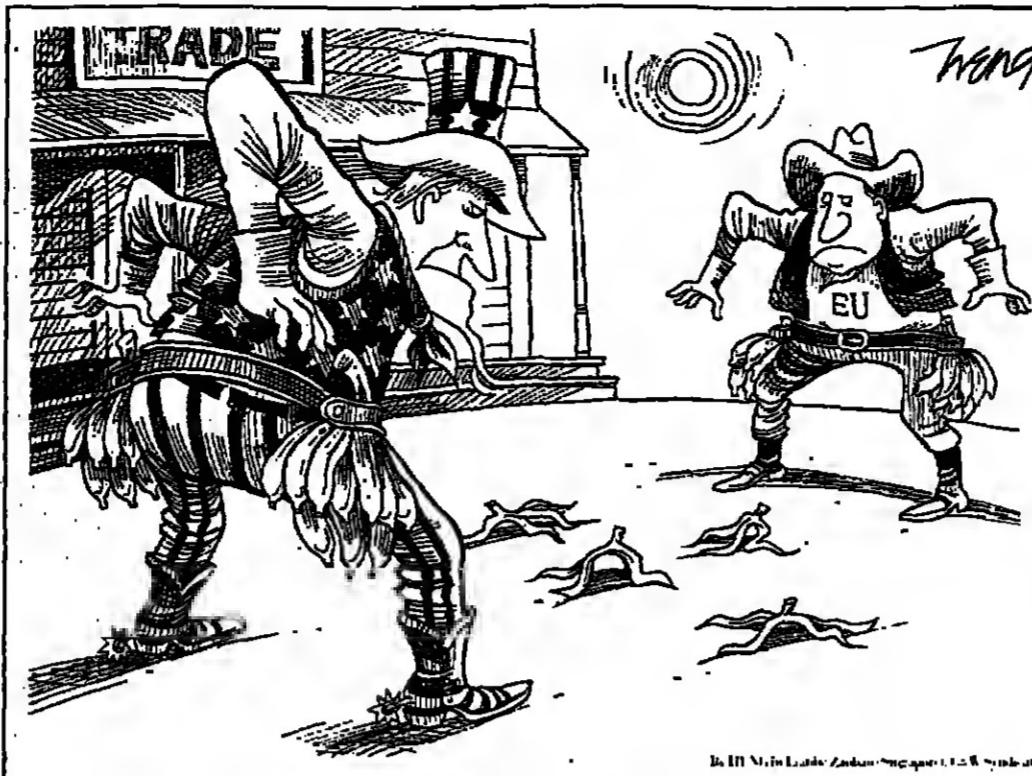
The United States not only needs to get the START-2 treaty implemented and a START-3 negotiated but also, Mr. Carter says, it has to start thinking creatively about reducing Russia's 30,000 potentially loose nukes — all its short-range nuclear warheads and fissile cores; which could easily fall off the back of a truck.

"An arms control or elimination program that would address short-range weapons would require a level of transparency and cooperation that we could not get in the Cold War but might be able to get to now — that is what we mean by preventive defense," Mr. Carter told me.

Mr. Perry made Russian de-nuclearization his top priority when he was defense secretary, but since he left that focus has been lost in both the administration and Congress. Indeed, if Mr. Khatami's call for a "dialogue of civilizations" at the UN General Assembly last fall is to be taken as anything more than a mere publicity ploy, then it is important that his government demonstrate its willingness to open dialogue with other shades of Iranian

"I'm sure that our successors believe in the things we were trying to do and support them," Mr. Perry said to me. "But believing and supporting them are not the same as getting them done."

The New York Times.



The Banana War

LETTERS TO THE EDITOR

An Appeal to Khatami

While President Mohammed Khatami needs to be encouraged for putting an end to Iran's 20-year-old estrangement from the West, it is important not to lose sight of the fact that Mr. Khatami's visit to Italy was marred by a series of demonstrations by uncompromising groups that label his political agenda as nothing more than a sham, aimed at prolonging the rule of the mullahs without instituting any serious constitutional reforms.

In giving Mr. Khatami the benefit of the doubt, my organization, which is committed to peaceful change, has asked to be allowed to return home and to enter into frank discussions with responsible officials concerning all grievances.

This would be an important symbolic gesture and the first of its kind to reunite Iranians at home with the 3-million-strong exile community. Indeed, if Mr. Khatami's call for a "dialogue of civilizations" at the UN General Assembly last fall is to be taken as anything more than a mere publicity ploy, then it is important that his government demonstrate its willingness to open dialogue with other shades of Iranian

opinion, whose only concerns are to safeguard and promote Iranian national interest. Moreover, the government should make a distinction between opposition groups committed to peaceful dialogue, and those that carry guns and grenades and that will resort to terrorism to achieve their ends.

How Mr. Khatami decides to tackle this issue should be an important indication of his true agenda for change and political reform.

MEHRDAD KHONSARI
London

The writer is leader of The Constitutional Movement of Iran (Front Line).

Threat From China

Regarding "Keep a Level Head Over Engagement With China" (Opinion, March 13) by Toni Plate:

Mr. Plate quotes the U.S. Pacific commander in chief, Vice Admiral Dennis Blair, as saying "China is not a military threat to U.S. interests. It will be many years before the People's Liberation Army presents a major challenge to U.S. forces." I agree with

that assessment, if he is referring only to an attack on the U.S. mainland. But Admiral Blair seems to fail to take into account that, with China showing advanced weapons technology from the United States, the strategic danger to America's neighbors and allies in Asia (such as Japan and Taiwan) increases enormously. This puts U.S. troops defending these nations in greater jeopardy.

PETER B. MARTIN,
Valparaiso, France

Blessings of Mortality

Regarding "Science Is Warning of Innovations of Immortality" (Opinion, March 9) by David Ignatius:

Mankind is scared of death, and it therefore appears as great progress for medical research to strive for knowledge that leads to longer life. I am personally more afraid of seeing mortality in danger. It seems to elude many people that the foreknowledge of our death is the motor for structuring our lives, for our creativity and curiosity. Immortality may be the beginning of eternal boredom during life.

JURGEN P. ROSENBUSCH,
Basel, Switzerland

WASHINGTON — We were sitting around the other night, eight of us, when somehow the subject of computer games came up. The college president confessed to playing them a lot. So did his wife, the lawyer. The concert musician acknowledged a near addiction — and so did her husband, the investment manager. A famous journalist admitted often playing into the wee hours of the night and his wife, an educator, owned up to doing something similar. That left my wife and me. She confessed this before in a column both brave and true. Friends and strangers alike came forth to announce their own addiction. People I thought were the very model of industriousness, people who even as kids made their beds and did their homework, admitted that they, too, could not stop playing one game or another. I was appalled. I was thrilled. I called "systems." I had the games surgically removed.

I had been playing solitaire when I should have been working. I played when I sat down to write — just to warm up the old fingers, I used to tell myself. Minutes passed. I would play until I won. I vowed, I would play until I won twice. I won twice. I would play until I reached a certain score. I reached it. I played and played and played.

"Oh, you're busy," my wife would say, pecking on me. I would nod. Writing is hard work. She knew that. Sometimes a column could take hours and hours. I would love to go to the supermarket with her, but I had to write. She would nod, understandingly — and go off by herself. I felt low. I felt sneaky. I was like some stereotypical alcoholic who hid booze all over the house. I was losing time, work, self-respect. I could not face myself in the morning — or afternoon or evening. I marveled at those of my colleagues who openly played computer games in the office. They had moved beyond shame, I felt. They were either mentally sick or wonderfully liberated. I could not decide.

After I had my solitairectomies, my productivity greatly increased. I read with detached bemusement the attempts of this or that politician to have games removed from government computers. I was at peace with myself. I worked well. I had an honest relationship with my wife, just as the books recommend. I got used to it.

Then I swapped my old laptop for a new model. It came with Windows. I used it for a while and then one day I noticed something: Accessories. I wondered, I speculated. I peeked. Sure enough, games. I felt surge of excitement, also dread. I clicked. Solitaire! It was back. I paused ...

I'll finish this column later.
The Washington Post

Computer Game Addicts Need a 12-Step Program

By Richard Cohen

WASHINGON — We were sitting around the other night, eight of us, when somehow the subject of computer games came up. The college president confessed to playing them a lot. So did his wife, the lawyer. The concert musician acknowledged a near addiction — and so did her husband, the investment manager. A famous journalist admitted often playing into the wee hours of the night and his wife, an educator, owned up to doing something similar. That left my wife and me. She

MEANWHILE

hardly touches the computer. Me, I could not wait to go home and put a black queen on a red king.

I curse Microsoft for this. I wonder why the U.S. government has hauled it into court for including an Internet browser in its Windows package when it should be investigating why it included games.

Look at the damage Microsoft has done. Look at the hours wasted,

the marriages and relationships ruined. Look at the vast number of addicts, of people playing solitaire or minesweeper or some other game until they are red in the eye and their arm has gone wooden from moving the mouse for hours and hours. Now here is something for the government to stop. Who cares about the browser?

I called Microsoft to ask why it includes games in its Windows package. I talked to someone who said I should talk to someone else who said she would find out whom I should talk to.

But the person at Microsoft who had the info never called and that was just as well with me. I prefer to think I know the answer. It has to do with Bill Gates.

This is Mr. Gates's joke on the rest of the world, on ordinary people. This is his way of toying with people who have weaknesses, people who are less disciplined than he, people whose idea of fun is not answering hours and hours of e-mail.

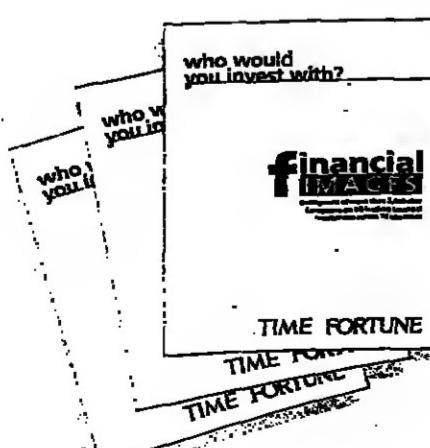
Maybe he is chuckling at how he has ruined the lives of millions, maybe billions, of perfectly nice people. Maybe he introduced games to give him a leg up, to allow him to stay ahead. While everyone else is playing games, Bill Gates is taking over the world.

I am a solitaire addict. I have

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STAGE/ENTERTAINMENT

Reveling In Change

Homage to Robbins At Paris Opera Ballet

By David Stevens
International Herald Tribune

PARIS — Despite more than three centuries of history, the profile of the Paris Opera Ballet has changed radically in the last three decades, a development underlined by the current Balanchine-Robbins program at the Palais Garnier and the homage to Jerome Robbins that launched it.

It is not so much the quality of dancing, since the Paris Opera's ballet school has been pretty consistent in turning out the dancers the company needs. It is more a matter of repertory, which in the last quarter-century or so has seen a major infusion of both 19th-century and 20th-century classics.

What goes around comes around. Marius Petipa left France for St. Petersburg and created his great romantic ballets. George Balanchine, trained in St. Petersburg, led a small troupe to the West and ended up creating his first great works for Diaghilev. But for an accident of history, he might have ended up as the ballet director at the Paris Opera. Instead Serge Lifar took over and Balanchine went with Lincoln Kirstein to found what eventually became the New York City Ballet, in due time with Robbins as co-ballet master.

Flash forward. In 1973, Rolf Liebermann became administrator of the Paris Opera, where he not only revitalized the operatic repertory but — less recognized but equally important — began giving the ballet company heavy infusions of Balanchine and Robbins. Now the Paris Opera Ballet has 26 Balanchine ballets and 13 by Robbins — the solid, classically based platform of its 20th-century repertory. (Later on, Rudolf Nureyev became Paris ballet director and mounted his versions of the Petipa classics, works that except for Vladimir Bourmeister's "Swan Lake" in 1960, the company had never performed before. But that is another story.)

So the homage to Robbins a few days ago can be seen not only as a tribute to the great choreographer who died last July 29, but also as an unspoken tribute to Liebermann, the formidable impresario who died on Jan. 2.

The homage to Robbins program that opened the current run included a work new to the Paris company, the first that he could not come to rehearse himself.



Isabelle Guérin and Manuel Legris in Robbins' "Other Dances."

That was "Other Dances," created for Natalia Makarova and Mikhail Baryshnikov in 1976 and set to four Chopin mazurkas and one waltz. Isabelle Guérin and Manuel Legris danced them elegantly, with their echoes of Russian folk gestures conceived for the two fugitives from Leningrad's dance world.

Also on the program was another exploration of the world of Chopin's piano music, "In the Night" (1970), the nocturnal equivalent of the magnificent "Dances at a Gathering" that Robbins had created a year earlier. This was danced by a trio of couples, Fanny Gaido and Legris, Elisabeth Platel and Kader Belarbi, and Carole Arbe and Laurent Hilaire.

The other purely dance numbers on the program included "A Suite of Dances," which could be described as a pas de deux for a cellist (Martine Baily) and a dancer (Nicolas Le Riche) to excerpts from Bach's solo suites for cello, and the bilarious 1956 classic "The Concert," in which Robbins, inspired by Saul Steinberg cartoons, makes irresistible fun of the self-indulgent antics of a concert

audience, again to the piano music of Chopin. The program included an excerpt of a film by Dominique Delouche, in which Robbins rehearses Monique Loudières and Manuel Legris in one of the pas de deux of "In the Night," struggling to express himself in his nonexistent French but ending up by communicating in superbly effective body language.

THE SENSE OF occasion was heightened by opening the evening with the grand parade of the entire company to Berlioz's march from "Les Troyens," with the stage opened up all the way back to the ornate Foyer de la Danse, which most ballet fans otherwise never get to see.

Henti Barde was the fluent and industrious pianist for all the Chopin. David Coleman conducted the Berlioz, and Hugo Fiorato, who worked with Balanchine from the 1940s, conducted the orchestral parts of "The Concert."

The Balanchine-Robbins program, which runs through April 4, omits "Other Dances" and includes Balanchine's Bach classic, "Concerto Barocco."

BOOKS

EVENSONG

By Gail Godwin. 405 pages.
\$25. Ballantine Books.

Reviewed by Christopher Lehmann-Haupt

THE title of Gail Godwin's rich new novel, "EvenSong," refers, its epigraph says, to "a worship service said or sung at the onset of evening to mark the close of day and to compose the mind and renew the spirit for the coming day." The sense of calm and beauty this evokes is reinforced by the book's dust jacket, a moonlit landscape of the Great Smoky Mountains, presumably in western North Carolina where the novel is set.

As you read "EvenSong," however, you find its title taking on an ironic edge. For its story is not about the close of a day but rather about the end of the old millennium and the coming of the new. (One clever character correctly points out that the transition doesn't actually occur until 2001. But like most of us, Godwin's people consider the last midnight of 1999 as the turning point.) What is happening at the close of 1999 to the Reverend Margaret Bonner, the story's protagonist and narrator, is very far from beautiful and calming.

The young pastor of the All Saints Episcopal Church in the Smoky Mountain town of High Balsam, Margaret feels alienated from her gloomy husband, Adrian, who is undergoing a depressing crisis of his own. (Readers will recognize these two from Godwin's earlier novel, "Father Melancholy's Daughter.")

The chaplain of a boarding school for troubled children, Adrian not only has to stand in for the recently deceased

headmaster until a new one is hired, but also must expel a student he particularly cares for, Chase Zorn, for once again breaking into the school's chapel and drinking the communion wine. Partly as a result of these pressures, Adrian has not slept with Margaret for some six months.

Margaret is struggling to fend off the zealous efforts of one Grace Munger to enlist All Saints in a Millennium Birthday March for Jesus intended to heal certain socioeconomic rifts that have developed in High Balsam. Realizing that by not joining in she risks making her church seem as elitist as many consider it anyway, Margaret nevertheless refuses to get caught up in Christian crusading.

In the midst of this turmoil a strange old man arrives at the Bonners' doorstep, identifying himself as Tony, from the Abbey of the Transfiguration, up in Eospus, New York, traveling the country on "one of the Greyhound Millennium Passes." Margaret, who knows that the people of Sodom and Gomorrah were punished as much for their inhospitality as for their sexual practices, feels that she has to take Tony in.

Godwin handles these crises with the narrative verve and moral gravity that made earlier novels of hers like "Glass People," "A Mother and Two Daughters" and "The Finishing School," among her 11 previous works of fiction, so appealing.

Yet for all of Godwin's skill you can't help feeling that there's something soap-operatic about her narrative, that the sequence of dramatic events is just one thing after another, especially when it comes to the ending, which

happens at her story's end. "What I mean to say is, things that had been stealthily ripening in a few separate souls now came to a head and 'for better or worse' found outward expression, more or less at the same time."

But she can't avail herself of a field theory of narrative, so events have to stay in line and on the surface.

"There's an interesting Greek word, *kathisma*, one of Godwin's characters announces in a typically enterprising aside. "Literally, it means, 'to search for the purple fish,'" he says.

"The literal purple fish was a shellfish highly prized by the Greeks for its rich purple dye," he continues. "Divers went to the bottom of the sea in search of this elusive fish. That's how 'searching for purple fish' came to be the Greeks' expression for plumbing the depths of one's mind."

Yet despite all this spiritual play, Godwin's story never transcends its realism. "A field theory style of narrative, rather than linear, would be useful here, whatever that might be like," Margaret muses when introducing what

happens at her story's end.

She recalls once enjoying a Yorkshire landscape "dotted with newborn lambs," only to be told when she stops at an inn that "you might well make the acquaintance of one on your dinner plate."

Through its prose, "EvenSong" searches for the purple fish. But because of its single-character point of view and its realistic form, it comes up short of a real catch.

—New York Times Service

BEST SELLERS

The New York Times		
The International Book Review from more than 2,000 booksellers throughout the United States. Weeks on the list are not necessarily consecutive.		
Fiction	Nonfiction	Books
1 THE TESTAMENT. by John Grisham	3 PERFECT MURDER. by Lawrence Schiller	3
2 APOLLYON. by Tim LaHaye	4 REALITY FADES. by Judi Shremser	2
3 SOUTHERN CROSS by Patrick Connelly	5 REACHING TO HEAVEN. by James A. Peacock	4
4 COOK. by Elmore Leonard	6 THE ART OF HAPPINESS. by the Dalai Lama and Howard C. Cutler	5
5 RANSOM. by Julie Garwood	7 FINDING GERICKE. by Anne Lamott	5
6 A SUDDEN CHANGE OF HEART. by Barbara Taylor	8 BLIND MAN'S BLUFF. by Sherry Somag and Christopher Drew, with Alan F. Horn	5
7 SEND NO FLOWERS. by Sandra Brown	9 THE CENTURY. by Peter Jennings and Todd Brewster	15
8 THE POISONWOOD BIBLE. by Karen Carpenter	10 FIRST PERSON PLURAL. by Michael Crichton	1
9 AMY AND ISABELLE. by Elizabeth Strout	11 CONVERSATIONS WITH GOD. Book 1. by Neale Donald Walsch	11
10 A MAN IN FULL. by Tom Wolfe	12 PLAYING FOR KEPS. by John Grisham	3
11 HARRY POTTER AND THE SORCERER'S STONE. by J. K. Rowling	13 THE PROFESSOR AND THE MADMAN. by Simon Winchester	12
12 WHILE I WAS GONE. by Sue Miller	14 THE ENDURANCE. by Linda Hill	13
13 READING THE NIGHT. by Don Kazmierczak	15 CONVERSATIONS WITH GOD. Book 3. by Neale Donald Walsch	14
14 AMSTERDAM. by Ian McEwan	16 ADVICE HOW TO AND MISCELLANEOUS	16
15 THE CAT WHO SAW STARS. by Lilian Jackson Braun	17 SUGAR BUSTERS. by H. Leighton Stewart et al	2
16 NONFICTION	18 HOW TO GET WHAT YOU WANT. by John Gray	30
17 THE GREATEST GENERATION. by Tom Brokaw	19 ONE DAY MY SOUL JUST OPENED UP. by Lynne VanZandt	1
18 TUESDAY'S WITH MORRIE. by Mitch Albom	20 LIFE STRATEGIES. by Philip C. McGraw	13

Dealing With the Devil

A Night of Word Games With Albert Speer

By Sheridan Morley
International Herald Tribune

LONDON — Gitta Sereny, Albert Speer's biographer, has already made it clear that she is less than happy with the portrayal of him in Esther Vilar's new play, "Speer," at the Almeida, and one can certainly see her point in this production about Hitler's old dream merchant.

As mesmerizingly played by Klaus Maria Brandauer, who here as in "Mephisto" on screen seems to be at his best playing artists who made pacts with the Nazi devil, Speer emerges from prison to do a curious deal with East Berlin that would involve his construction of Germania (a maniacal gothic and essentially loony building project that would doubtless have ended up as Disneyland East) and the electronic tagging of would-be escapees over the wall to avoid the local embarrassment of having them shot.

The problem with an always enthralling two-man show, also directed by Brandauer, is that its author can never quite decide whether she's writing the political version of "Sleuth" or trying to tell us something new about Speer's remarkable talent for survival.

Happy to throw in his lot with Hitler, who seems to have fancied him if only platonically, he stages a triumphant bid for his own life at Nuremberg, spends a few decades in prison writing autobiographical best-sellers, and is now, in this fantasy, willing to do the same sort of deal with Honecker in 1980 that he had done with Hitler almost half a century earlier.

Vilar's passion for the word games played by Speer and the only other character on stage, a somewhat underpowered Sven Eric Bechtolf as the East German functionary sent to try to win him over the wall, often prevents us from getting really close to the heart of her play, which manages about three double twists of plot in the last 10 minutes alone.

As a blackmail or revenge drama, "Speer" is remarkably clumsy; but for its occasional insights into what made Speer run, as well as for the final delivery of evidence that would have been enough to hang him at Nuremberg, it is well worth a look if only for Brandauer's Olivier-like ability to prowl, panther-like, around the set with all eyes on him.

If at the end we are left in doubt as to the precise extent of the central character's corruption and villainy, it also has to be noted that it is precisely those doubts about the "good Nazi" that keep



Sven Eric Bechtolf, left, and Klaus Maria Brandauer in "Speer."

this vehicle from getting itself tied up in knots. And we haven't heard the last of him: David Edgar is adapting the Sereny biography for the National.

At the Young Vic for the Royal Shakespeare Company, Stephen Poliakoff's "Talk of the City" is a brilliant idea gone sadly astray. Set in Broadcasting House in the late 1930s, it concerns a group of radio broadcasters suddenly faced with twin threats in the coming of war and television. As to the star of one of the Saturday night concert extravaganzas decides that he wishes to infiltrate his insane comedy routines with news of what the Nazis were starting to do to the Jews. As for television, Poliakoff seems only to want to make the ironic point that radio never understood, in 1938, that the killer was not going to be the war but the new medium.

All kinds of ideas are fighting for air time here. Poliakoff's usual fascination with the ways in which history is rewritten; the precise nature, if any, of the BBC's independence from Downing Street, and, perhaps above all, how a group of ill-assorted characters either make their peace or come to blows with the BBC as a semi-sovereign state in its own prewar realignment.

The problem is that Poliakoff then decides to explore several characters' plot lines in some detail: the singer-

comic who becomes a kind of Scarlet Pimpernel (David Westhead), the German Jew who comes to warn him of trouble, a couple of women, only one of whom will survive the prewar panics, and BBC functionaries played with splendidly chilly aplomb by John Nettleton.

It is not that these characters are implausible (some of them were indeed still alive and well when I first joined the BBC almost 30 years after the war), but that halfway through the play Poliakoff has around half a dozen plots going and is finally unable to focus on whichever really matters most.

Not for the first time, I suspect, this play might have worked better as a six-part TV serial.

At the Battersea Arts Centre, Charlie Wood has a new version of Gogol's "Gamblers" played out in 90 minutes as a kind of pre-Russian Revolution, David Mamet card-playing scam. An all-male cast of nine, powerfully led by Tam Williams, plays an 1840 game of cards as if their lives depended on it, which in a way of course they do. Although Joe Spence's new adaptation never quite gets us away from the idea of a short story brought to life, there's a claustrophobic intensity here as well as a strong team of young character actors fighting to establish individual identities before the cards are cut.

Strife in the German Theater

By Anne Midgette

BERLIN — Competition can be good for business — even among cultural institutions. But in Germany in the last few months, a rivalry involving three leading men of the theater has revealed the intensity with which German theaters and German cultural politicians can vie with one another for headlines, renown and as large a piece as possible of the country's cultural pie.

There's an interesting Greek word, *kathisma*, one of Godwin's characters announces in a typically enterprising aside. "Literally, it means, 'to search for the purple fish,'" he says.

"The literal purple fish was a shellfish highly prized by the Greeks for its rich purple dye," he continues. "Divers went to the bottom of the sea in search of this elusive fish. That's how 'searching for purple fish' came to be the Greeks' expression for plumbing the depths of one's mind."

Through its prose, "EvenSong" searches for the purple fish. But because of its single-character point of view and its realistic form, it comes up short of a real catch.

—New York Times Service

theater's strongest productions. Despite geographical differences, Langhoff and Dorn have a few things in common. Both are stage directors; both are about the same age (Langhoff is 60, Dorn 63), and the contracts of both men with their respective houses are coming up for renewal in 2001.

Another leading man on the German theater scene is Frank Baumbauer, the successful head of the Deutsches Schauspielhaus in Hamburg. While not a stage director, Baumbauer has a nose for what is new and hot in theater. When he arrived in Hamburg, the house was struggling; since then, it has received the Theater of the Year award three times. Directors active at the house include the eccentric Swiss wunderkind Christoph Marthaler, one of Europe's most popular ticket sellers at the moment, and Jossi Wieler, a specialist in making obscure texts theatrically viable, who won the Production of the Year award with his staging here in 1993-94 of a work by Elfriede Jelinek.

An ultimate sign of the hipness of Baumbauer's theater are the frequent co-productions with the Salzburg Festival, one of the most "in" spots for the German-speaking theater. As of this summer, in fact, Baumbauer is to take over as director of theater at Salzburg, a post he will hold at least until 2001.

Baumbauer, in short, is the kind of man the cultural politicians just love. They find it reassuring that he is not an artist but someone they can talk business with; and they like that he brings critics, good artists and buzz to a city, bolstering its reputation for tourism, and, by extension, the politicians' jobs.

Adding to his attractiveness in the last few months was the fact that he was "available." His contract in Hamburg runs out in 2000 — tomorrow in theater terms, he will be replaced by Tom Stromberg, who built the Theater am Turm in Frankfurt into a renowned avant-garde space until it was effectively felled by the city's lack of funds.

The idea that someone like Baumbauer might be free to come to their cities was particularly exciting to Munich's cultural affairs officer, Julian Nida-Rümelin, and to Berlin's cultural senator, Peter Radunski. Both men are responsible for the arts in cities jealous of their cultural supremacy.

Before reunification, Munich, most Germans' favorite metropolis, liked to be known as the country's "secret capital." Berlin has begun to threaten that status now, though more often in headlines, as it verges on becoming the country's actual capital, with the potential to blossom into the international cultural



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Herald Tribune

INTERNATIONAL BUSINESS/FINANCE

WEDNESDAY, MARCH 17, 1999

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PAGE 11

Taking On Japan's Banks

Official's Hard Line Is Starting to Show Results



Mr. Yanagisawa is trying to force change at Japan's financial companies, like Sumitomo Corp., at right.

By Sandra Sugawara
Washington Post Service

TOKYO — Big, bold action. That's what Hukao Yanagisawa is looking for.

As chairman of Japan's Financial Reconstruction Commission, Mr. Yanagisawa is in charge of overseeing the cleanup of Japan's ailing banking system. And as he assesses the enormous task that lies ahead — dealing forthrightly with the more than \$700 billion of bad loans currently mucking up the banks' books — Mr. Yanagisawa says that what Japan needs is a bold corporate leader willing to slash costs and publicly recognize the full amount of problem loans.

"There are no John Reeds in Japan," he muttered to reporters and aides in February — invoking the executive he credits with rescuing what was then America's largest bank, Citicorp, in the early 1990s — after Japan's major banks submitted their initial reconstruction plans to the five-member commission he heads.

Mr. Yanagisawa is attempting to force a wholesale change in perspective among the institutions. Although he is not popular in some financial quarters here, Mr. Yanagisawa's medicine is starting to yield a payoff. Bank stock prices have been rising, and the banks are having fewer problems raising money in global markets. Traders say the so-called Japan premium — the extra interest that Japanese banks had to pay global lenders to attract capital — has virtually disappeared.

Along with its sister agency, the Financial Supervisory Agency, which inspects banks' books, the Financial Reconstruction Commission has helped administer the \$61 billion government payment to bolster the largest banks in return for cost-cutting that is to include eliminating 20,000 jobs, or about 14 percent of the work force, over four years. Under Mr. Yanagisawa's prodding, many banks are also closing overseas branches.

But the nascent attempts at bank reform are subtly shaking the foundation of "Japan Inc.," the nation's socially sensitive brand of capitalism, with its emphasis on workers' rights and shared corporate pain. To bolster their balance sheets, some banks are focusing on profits and pulling back from risky customers, and some are beginning to sell their holdings of stocks in longtime client companies, under a

Wanted: a bold leader
willing to cut costs and
recognize the problems.

portion of the web that once underlay "Fortress Japan."

"What a generation of jawboning and threatened trade sanctions could not accomplish is now being delivered by the consequences of stagnation and failing banks," said Clyde Prestowitz, a former U.S. trade negotiator and head of the Economic Strategy Institute in Washington.

The government of Prime Minister Keizo Obuchi has not warmly embraced Western-style free markets. But the government was essentially forced to pass banking-reform legislation last autumn when global lenders started to refuse to deal with Japanese banks, threatening the stability of Japan's financial system.

In the midst of this upheaval, Mr. Obuchi appointed Mr. Yanagisawa, a senior but little-known politician from the governing Liberal Democratic Party, to the new post of minister of state for financial reconstruction. Mr. Yanagisawa's appointment was greeted skeptically by foreign investors. But his supporters argued that he had been preparing for such a job since the early 1970s.

Back then, he was a young Finance Ministry bureaucrat based in New York. He spent those years selling government-guaranteed bonds issued by Japan Development Bank to U.S. investment bankers. The more deeply he got immersed in Wall Street, the more intrigued he was.

He said he watched Chase Manhattan Corp. transform itself from "a rather dull bank" to a large, dynamic one. Through friends he made at Morgan Stanley & Co. and Brown Brothers Harriman & Co., he observed the evolution of those institutions from insular investment banks into global powerhouses.

In an effort to better grasp the intricacies of the foreign-exchange market, Mr. Yanagisawa set up a meeting with Citicorp's then-chairman, Walter Wriston. He said he remembered the meeting vividly — the decor, his feeling of confidence as he entered the room as the Finance Ministry representative of Japan, a nation whose economy and currency were getting stronger each day.

He also remembered the force with which Mr. Wriston, known for his arrogance, knocked the air out of him. "I approached the meeting with such confidence. But he beat me down completely," said Mr. Yanagisawa, chuckling.

See YEN, Page 17

Canada Pressures U.S. on Magazines

By Steven Pearlstein
Washington Post Service

OTTAWA — Taking a step closer to a trade war with the United States, the House of Commons has passed legislation making it a criminal offense for Canadians to place advertising in American or any other foreign-owned magazines.

The bill, backed by the Liberal Party government and three of the four opposition parties, was approved by Canada's lower house on Monday night, 196 to 43. The Senate could amend the measure, but it usually passes bills that have been approved by the lower chamber.

Many Canadians see the legislation as a necessary defense of Canadian culture against the steady encroachment of the U.S. entertainment-industrial complex, as it has come to be known here.

U.S. officials, fearing that the measure could set a dangerous precedent for other countries, have vowed to retaliate by slapping tariffs on Canadian steel, wood, plastics and textiles — industries that account for more than \$15 billion in annual exports to the United States.

Despite the brinkmanship on both sides, there were signs late last week that a compromise might be in the offing that could avert the trade conflict between the world's two biggest trading partners.

"I would say that the Canadians for the first time seemed to be more willing to engage in constructive conversation," Richard Fisher, deputy U.S. trade representative, said Friday.

But Heritage Minister Sheila Copps, who maneuvered the bill through the cabinet and Commons consideration, took a defiant tone after the vote Monday.

"We have no intention of waterizing anything down," she said.

The talks are scheduled to continue in Ottawa this week.

At issue is not whether American magazines should be allowed to circulate in Canada. They already account for 85 percent of the titles on Canadian newsstands and about half of all magazine circulation in Canada.

Rather, the dispute concerns advertising, the primary source of revenue for magazines.

Canadian publishers warn that if

American magazines such as Sports Illustrated and Playboy are allowed to sell ads to Canadian advertisers in special Canadian editions, known as split-run magazines, they will be able to drive down the price of advertising to the point that most Canadian magazines will be forced out of business.

This issue has been a thorn in U.S.-Canadian relations for more than 30 years. It has taken on significance for both countries that far exceeds the commercial importance of Canada's English-language advertising market of \$240 million per year.

Officials familiar with the U.S.-Canadian talks say that an eventual compromise might require that, in order to sell advertising in Canadian editions, American publishers would have to set up Canadian subsidiaries and have at least half of the content written by Canadians or about things Canadian.

At the same time, the United States is pressuring Canada to change its tax code, which allows Canadian companies to deduct the cost of advertising in Canadian magazines but not advertising placed in foreign ones.

CURRENCY RATES

March 16 Other Dollar Values

Cross Rates	S	E	SF	Yen	CS	Dana	Greek	Swede	Per S	Currency	Per S	Currency	Per S	Currency	Per S	Currency	Per S	Currency
London (d)	1.6243	—	2.3816	197.46	2.4831	11.068	478.47	13.25	0.9956	Hong Kong	1.2077	1.2077	1.2077	1.2077	1.2077	1.2077	1.2077	1.2077
New York (d)	1.6292	2.1033	1.4558	117.695	6.814	292.36	8.216	—	1.2420	Hong Kong	7.504	8.486	8.486	8.486	8.486	8.486	8.486	8.486
Tokyo	117.45	190.33	79.75	—	76.94	17.14	N.Q.	14.20	0.4973	Indonesia	5.185	5.185	5.185	5.185	5.185	5.185	5.185	5.185
Toronto	1.5292	2.4837	1.0425	1.2968*	—	0.2243	0.5108*	0.1859	0.2785	Malta	3.045	3.045	3.045	3.045	3.045	3.045	3.045	3.045
Zurich	1.4471	2.3823	—	1.2419*	0.9592	21.5149	0.4976*	0.1785	0.2785	Moldova	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
One euro	1.0901	0.6703	1.5995	128.65	1.4658	7.4222	321.30	8.949	1.0901	Monaco	0.672	0.672	0.672	0.672	0.672	0.672	0.672	0.672
One SDR	1.3689	0.8426	2.0016	163.093	2.0908	9.2949	401.481	11.1215	1.3689	Morocco	1.2225	1.2225	1.2225	1.2225	1.2225	1.2225	1.2225	1.2225

Interest rates excluding commissions.

* To buy one dollar.

** Per 100 N.G.

† Not quoted N.A. - not available.

SDR Special drawing rights of the IMF.

Source: Bank of Tokyo-Mitsubishi (Tokyo), Royal Bank of Canada (Toronto), Banque de France (Paris), I.M.F. (SDR). Other data from Reuters.

Euro Values

For rates of the ECU member currencies, for one euro:

Austrian schilling

Belgian franc

Danish krone

French franc

German mark

Irish punt

Italian lira

Luxembourg franc

Portuguese escudo

Spanish peseta

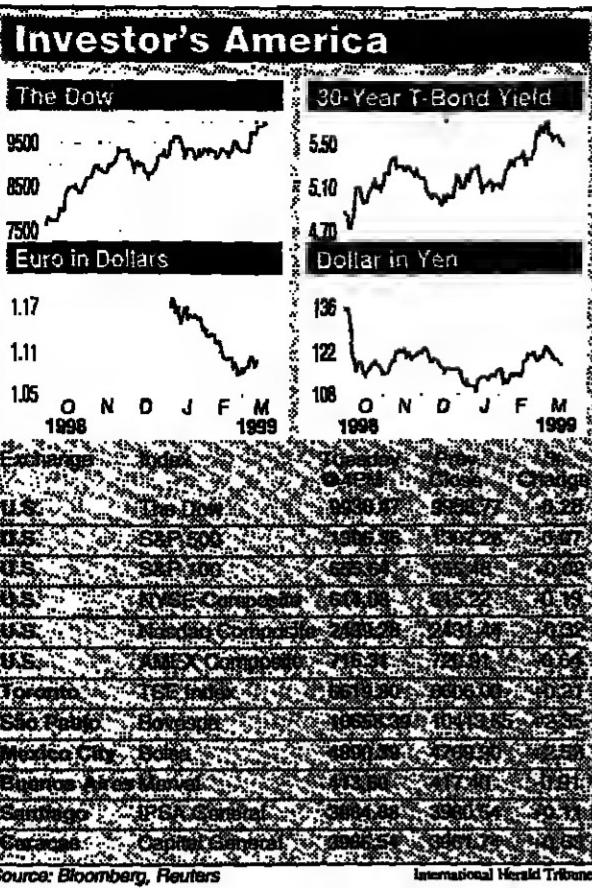
Swiss franc

Yuan

Zarzua

Other currencies

THE AMERICAS



Shifting Course, U.S. Banks Increase Credit Lines to Brazil

Compiled by Our Staff From Dispatches

PARIS — U.S. banks have increased credit lines to Brazil in recent weeks, reversing months of cuts, while European banks have continued to slash exposure to Latin America's biggest economy, a senior official of the International Monetary Fund said here Tuesday.

Lenders such as Citigroup Inc. and Chase Manhattan Corp. increased credit after prodding from the IMF and U.S. officials once Brazil sealed a revised agreement with the IMF to ensure that \$41.5 billion of aid would keep flowing, officials said at the Inter-American Development Bank annual meeting here.

The U.S. banks rolled over "more than 100 percent" of their loans to Brazil in the past three weeks, said Terese Temminck, the IMF's deputy director of the

Western Hemisphere department. "They are quite happy to do so."

But she stressed that the effort to involve the private sector in helping Brazil surmount its current financial problems was on a "purely voluntary" basis.

"As long as they can be assured that everybody else chooses at the same time to stay in," the Brazil market, the banks are happy, she added.

Pedro Malan, Brazil's finance minister, said Friday that he had won assurances from western banks of a rollover of Brazil's credit lines, totaling \$23 billion, for six months, which would cover Brazil's balance-of-payments needs to the end of the year.

The IMF last week endorsed the country's revised economic program, paving the way for the release

of an IMF loan of \$4.9 billion, part of a \$41.5 billion international loan package that the IMF arranged last year to help shore up investor confidence in Brazil.

The return of fresh capital to Brazil is crucial to pull the economy out of recession and steady the currency. Companies need fresh loans to repay debts and finance investments in industries such as telecommunications and electricity.

The currency has rallied in recent weeks after plunging to a record low earlier this month. The real has gained 9 percent in March, with the dollar falling to 1.8550 reals on Tuesday.

Brazil's credit lines from foreign banks dwindled to about \$28 billion at the end of February, from \$52 billion in August when Russia's debt default triggered an exodus

among investors who were concerned that Brazil may be the next to go.

Separately, the IMF on Tuesday cut its 1999 economic growth forecast for Latin America to zero from a previously estimated 1.5 percent because of Brazil's currency devaluation.

Latin America grew 2.5 percent last year and 5.1 percent in 1997.

"GDP will be stagnant," said

Claudio Loser, director of the IMF's Western Hemisphere department.

Mr. Loser said he expects the region to grow near the end of the year as confidence returns and interest rates fall.

He added that Brazil's devaluation will speed up the inflation rate in the region. He sees inflation between 12 percent and 13 percent this year, up from 10 percent in 1998.

Also at the IDB meeting, English-speaking Caribbean countries said that the regional development bank does not provide them with enough money.

"The recent performance of the Bank Group has not met our expectations, particularly since the level and regularity of approvals and commitments continue to fall short of our needs," said the finance minister of Guyana, Bharat Jagdeo.

Mr. Jagdeo, speaking for the Bahamas, Barbados, Jamaica and Trinidad and Tobago as well as his own country, noted that in 1998 the IDB approved only five projects in three of these countries totaling \$132 million.

This was double the previous year's figure but still far from enough, Mr. Jagdeo said.

(Bloomberg, AFP)

Resignations at EU Recharge the Euro

Compiled by Our Staff From Dispatches

NEW YORK — The euro rose against the dollar Tuesday amid optimism that the resignation of the European Commission would pave the way for bureaucratic and regulatory reforms.

"We got rid of dead wood," said J.P. Neergaard of Dean Danks Bank. "The market is seeing this as better than what we had before."

The euro climbed to \$1.0993 in 4 P.M. trading from \$1.0943 on Monday, after falling to \$1.0814 just after the resignations were announced.

The euro also was lifted by comments from the vice president of the Bundesbank, Juergen Stark, who said that

FOREIGN EXCHANGE

the single currency's almost 7 percent decline since January was not dramatic and that an interest rate cut would not solve Europe's economic problems.

"This move is a delayed reaction," to Mr. Stark's comments, said Andy Busch of Bank of Montreal.

The departure of the 20 commissioners who run the European Union's day-to-day affairs came after a five-member panel found evidence of financial mismanagement. The euro rebounded after European central bankers moved to reassure investors about the three-month-old common currency. A member of the European Central Bank's board, Eugenio Domingo Solans, said the resignations would not undermine the euro because commissioners did not make monetary and economic policies but simply executed those policies.

The resignations "won't destabilize the euro, which is dependent on the ECB and is independent of politics," he said.

The dollar fell to 117.695 yen from 117.715 yen, as the Nikkei Stock Average rose for a fifth day out of six amid sentiment that the Japanese economy is recovering. But the dollar slipped to 1.4538 Swiss francs from 1.4643 francs. The pound rose to \$1.6292 from \$1.6233.

(Bloomberg, Market News)

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The dollar fell to 117.695 yen from 117.715 yen, as the Nikkei Stock Average rose for a fifth day out of six amid sentiment that the Japanese economy is recovering. But the dollar slipped to 1.4538 Swiss francs from 1.4643 francs. The pound rose to \$1.6292 from \$1.6233.

(Bloomberg, Market News)

The single currency's almost 7 percent decline since January was not dramatic and that an interest rate cut would not solve Europe's economic problems.

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NYSE

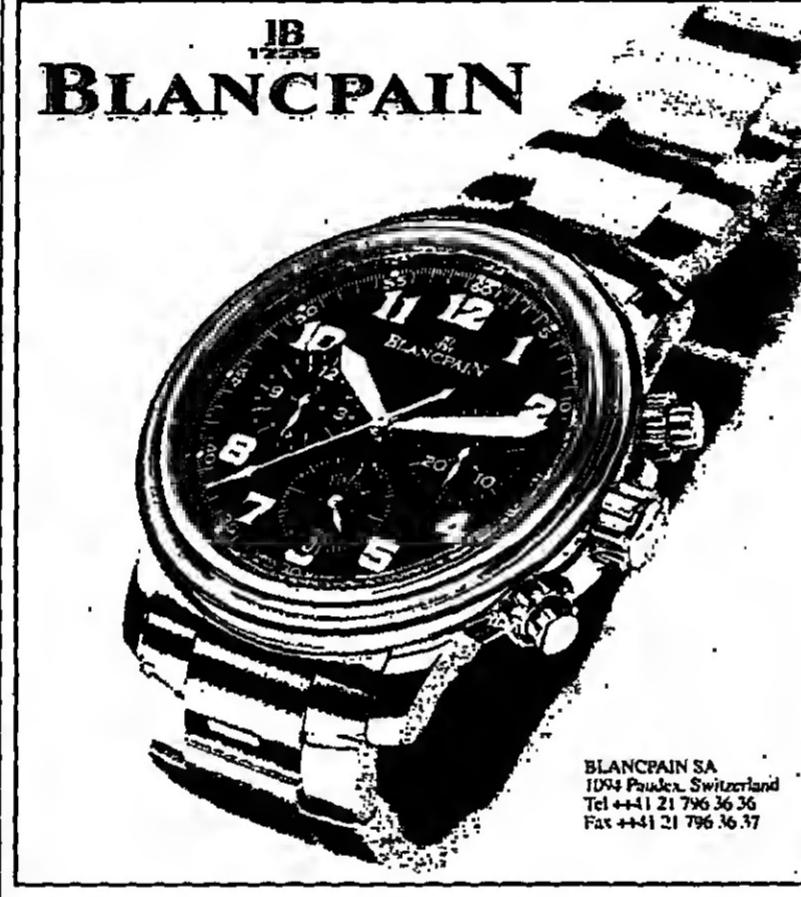
Tuesday's 4 P.M. Close

The 2,300 most traded stocks of the day.
Afterwide prices not reflecting late trades elsewhere

The Associated Press.

THE ASSOCIATED PRESS

Crude	12 Month High	12 Month Low	Stock	Div	Yld	PE	100% Marq	Last
111	111	111	AACI			111	111	111
112	112	112	ABCO			112	112	112
113	113	113	ABCO			113	113	113
114	114	114	ABCO			114	114	114
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Continued on Page 15

NASDAQ

Tuesday's 4 P.M.
The 1,000 most traded National Market securities
In terms of dollar value, updated twice a year.
The Associated Press.

NYSE

Tuesday's 4 P.M. Close
(Continued)

INTERNATIONAL HERALD TRIBUNE, WEDNESDAY, MARCH 17, 1999

AMEX

Tuesday's 4 P.M. Close
The 150 most traded stocks of the day,
up to the closing on Wall Street.
The Associated Press

Stock	Sales	High	Low	Lastest	Change
DJA Diam	6399	1000	970	970	-10
DairyA	288	3	3	3	-
Daiichi	201	10	10	10	+10
DaiwaKan	402	10	10	10	+10
Daiei	495	240	230	230	+10
Dairylea	403	9	8	8	-10
Schaeffler	1914	140	130	130	+10
EWTrust	1545	70	70	70	+10
Electron	4993	100	18	100	+10
EnerP	2780	40	30	30	+10
Entomol n	572	20	10	10	+10
Entomol s	573	20	10	10	+10
Eneos	51	124	124	124	+10
Excelli Q	261	38	30	30	+10
F&Co	267	70	70	70	+10
F&UsaPr	17851	140	50	50	-10
FiltexA	221	140	140	140	+10
ForestLab	426	54	50	53	+10
FoxCell	240	50	50	50	+10
Fujifilm	177	100	90	90	+10
G&G Indstl A	591	20	20	20	+10
GoyaCo	5911	20	20	20	+10
Gencom pa	626	20	20	20	+10
Gencom gd	627	20	20	20	+10
GlobeCo	265	50	50	50	+10
GlobeL 1 ps	201	40	40	40	+10
GlobeL 2 ps	202	40	40	40	+10
GlobeL 3 ps	203	40	40	40	+10
GlobeL 4 ps	204	40	40	40	+10
GlobeL 5 ps	205	40	40	40	+10
GlobeL 6 ps	206	40	40	40	+10
GlobeL 7 ps	207	40	40	40	+10
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INTERNATIONAL INVESTING

Prague Exchange's Failed Reform Effort Leaves Some Predicting Its Demise

By Peter S. Green
International Herald Tribune

PRAGUE — As the country's leading stock indexes fall through the floor, stock-market players are beginning to wonder whether the flagging Czech stock exchange has any future.

The Czech Republic is entering its second full year of recession, with poor company results, growing corporate debt and a well-deserved reputation as a haven for insider trading and other investor-unfriendly practices.

This has sent the indexes of the illiquid Prague Stock Exchange to their lowest levels ever. An investor who put 1,000 korun (\$28.65) into the main PX-50 index at its opening in April 1994 would be sitting on 371 korun worth of shares today — if he could find a buyer.

At its peak in 1995, 1,716 listings were quoted on the Prague Stock Exchange, the result of the country's mass privatization plan that transformed more than 7 million Czechs into shareholders.

But economic reforms have failed, due in part to insider trading, widespread embezzlement at

Czech companies and an inability to restructure for post-Communist markets.

That failure, and a lack of rules on reporting financial results or transparency of ownership, have left the stock market almost devoid of investable stocks.

Today the Prague exchange has only 301 public listings, and fewer than a dozen have any liquidity; the number of Czechs who hold shares is now barely 5 million.

"There already a maximum of 10 stocks even domestic investors can invest in, and for foreign investors, the number is closer to five," said Miroslav Nosal, Czech equities analyst at Merrill Lynch in London.

In the next few years, a number of Czech startups may be big enough to issue shares. But Mr. Nosal, echoing a widely held view, warns that if the Prague exchange fails to attract these companies, "its future will be very uncertain."

So far, the Prague exchange has seen only one new share issue and a handful of capital increases.

The post-Communist reforms of former Prime Minister Vaclav Klaus virtually ignored the role of

capital markets in financing and restructuring businesses. That meant it was easier for most managers to borrow from state-owned banks than to cede some control to shareholders, but many companies

have left the Prague exchange or the parallel brokerless RM System exchange have been sold off. The Prague exchange has no purpose.

With nearly 2 million investors having left the market, there's so little business that of 1,486 brokers in 1997, only 358

Howard Golden, a New York-based fund manager and a vocal advocate of reform, says that despite admirable efforts by newly appointed regulators to improve Prague's transparency, now that most of the salvageable companies on the Prague exchange or the parallel brokerless RM System exchange have been sold off, the Prague exchange has no purpose.

With nearly 2 million investors having left the market, there's so little business that of 1,486 brokers in 1997, only 358

Jiri Huebner, the exchange's new managing director, is confident it will revive.

"You can't have a market economy without a stock exchange," he said.

But Mr. Huebner added, "the stock exchange is a mirror of the economy," and until new laws and better enforcement oblige Czech companies to finally play by the rules common in Western Europe and the United States, neither the Czech economy nor its stocks will change.

That means more Czech companies will look beyond Prague for capital.

"The equity market here is a failure of the

economic transition," said Boris Gomez, an economist at ING Barings in Prague.

With no capital available in Prague, "London and Frankfurt are where companies will be looking, because the money is there," Mr. Gomez said.

The Vienna and Frankfurt stock exchanges are planning a computer-based exchange for blue-chips from Central and Eastern Europe, but few investors see the as-yet unnamed exchange as a realistic alternative to Prague or its more successful cousins in Warsaw and Budapest.

Even the country's Securities Commission chairman, Jan Muller, sounds a defeated note when he observes that most serious trading in Czech blue-chips has already moved to London.

Mr. Muller has waged an often lonely struggle to get Western European-style securities rules through Parliament, a process he says could still take several years.

"Small and medium issues will remain on local stock exchanges, and Prague may be one of them," he said, but "only if the Czech market adopts European standards."

Global Pressures Bring New Look to Canada's Stock Markets

By Diana B. Henriques
New York Times Service

NEW YORK — To try to reduce costs and compete more effectively for domestic and international trading business, leaders of the four largest stock exchanges in Canada have announced a sweeping reorganization.

The proposal, still subject to regulatory approval, calls for the Toronto Stock Exchange to become the national center for trading in the shares of major Canadian corporations as Montreal's bourse transforms itself from a stock exchange into a modern options and futures exchange.

The plan also called for the Vancouver Stock Exchange to merge with the Alberta Stock Exchange in Calgary and the Canadian Dealer Network, an electronic market for small stocks operated by the Toronto exchange, to form a pan-Canadian "junior" exchange for smaller companies and start-up ventures.

"These changes will help ensure that the Canadian capital-market system is streamlined and better able to perform in an increasingly competitive global marketplace," Rowland Fleming, the president of the Toronto exchange, said this week.

Mr. Fleming said he expected the new plan to be fully in place by next March.

The rearrangements in Canada reflect the increasingly competitive environment confronting many of the world's major stock exchanges as investors demand cheaper and more efficient trading services.

In recent weeks, the New York Stock Exchange and its domestic rival, the Nasdaq market, have confirmed that they are exploring new alliances with some of the private electronic stock-trading services with which they compete.

And in Europe, stock-exchange leaders are quietly exploring the formation of a pan-European market that would capitalize on the nascent

single-currency system on the Continent.

The realignment of trading roles between Toronto and the Montreal Stock Exchange will cut costs for Canadian brokers and exchange-listed companies, said Barbara Stymiest, chairman of the Toronto exchange's board of governors.

Duplicate trading and listing fees will be eliminated, she said, and brokerage houses will be able to focus their equities and derivatives operations in the appropriate cities.

The plan is likely to win applause among brokers, said Fred Ketchen, managing director of equity trading at Scotia McLeod Inc. "Our competition is from the south, not from across our own land," he said, referring to the United States.

The arrangement will allow Montreal to concentrate all its resources on building its derivatives business, officials there said.

While the Toronto and Montreal exchanges will continue to be policed by regulators in their home provinces, the new market for small

fastest-growing in the world," said Gerald Lacoste, the exchange's president. "By specializing in the rapidly growing futures and options markets, the Montreal exchange is building on what we already do best."

When rumors of the reorganization broke in newspapers across Canada on Monday, there was speculation that the proposal would be opposed by the Quebec provincial government, which was expected to object to any shift of Montreal's equity-trading business to Toronto. But officials both in Toronto and Montreal said the Quebec Finance Ministry had been informed of the plan and raised no objections.

The new plan will pose an immediate challenge to stock-market regulators in Canada, where there is no national market regulator and each province has its own independent securities commission.

While the Toronto and Montreal exchanges will continue to be policed by regulators in their home provinces, the new market for small

Very briefly:

• Amazon.com Inc., the on-line seller of books, music and videos, plans to increase its authorized common shares to 1.5 billion from 300 million to finance acquisitions and corporate operations as well as to deter potential hostile takeovers, according to documents filed with the Securities and Exchange Commission. The company said it wanted additional shares to pay stock dividends, arrange stock splits and offer stock incentives to employees, executives or directors.

• Bayer AG, the German drug and chemicals maker, will seek shareholder approval April 30 to issue as much as 2 billion euros (\$2.19 billion) of convertible bonds. The bonds are to mature in 15 years or less. The total bond sale, which could be in several issues and in various currencies other than euros, could be converted into a maximum of 32.5 million shares, the company said.

• Hong Kong selected three banks to help sell \$23 billion of stocks that the government bought last summer, but it declined to identify them, saying the banks themselves had not yet been informed. An advisory position could lead to fees of almost \$1 billion from the sale of the stocks, making it the most lucrative assignment for an investment bank in the world today. The government was expected to choose one brokerage based in Hong Kong, one European bank and one U.S.-based institution.

• Taiwan's deputy minister of finance, Yen Ching-chang, said tax rules would be revised to allow the cabinet to adjust the stock transaction tax within a range of 0.15 percent to 0.45 percent, the Central press agency reported. The tax currently is 0.3 percent. The change is part of a government proposal to give the cabinet authority to adjust the transaction tax to heat up or cool down the stock market.

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March 16, 1999

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WORLD ROUNDUP

West Indies Wins

CRICKET The West Indies beat Australia by 10 wickets Tuesday in the second test in Jamaica.

Resuming at 157 runs on the fourth day, Australia made another 20 runs to avoid an innings defeat. But the West Indies scored the three runs it needed to win the first over of its second innings.

It was the West Indies' first victory in seven tests and avenged a humiliating defeat in last week's first test.

Nehemiah Perry, a spin bowler making his test debut, took five Australian wickets for 70 runs in the second innings. (Reuters)

Wood Could Miss Season

BASEBALL Kerry Wood, the National League Rookie of the Year, is expected to miss this season. The Chicago Cubs pitcher, who last May struck out 20 batters against Houston, damaged the ulnar collateral ligament in his right elbow during his spring training debut against Anaheim on Saturday.

The Cubs said Tuesday that more tests were needed on the 21-year-old right-hander. However, they assume he will need surgery and will not be able to pitch until next year. (AP)

Flutie Agrees to Terms

FOOTBALL Doug Flutie, the veteran quarterback, reached agreement on a contract extension with Buffalo that will give the Bills two \$5 million quarterbacks. Flutie was expected to sign the four-year, \$22 million deal — including \$6 million up front.

The San Diego Chargers agreed to the terms of a trade to acquire quarterback Jim Harbaugh from Baltimore, contingent on Harbaugh reworking his contract and the Ravens acquiring quarterback Scott Mitchell from the Detroit Lions.

The deal would likely keep Ryan Leaf on the bench in his second season to learn from Harbaugh, who will be playing in his 13th season. (AP)

Arsenal Adds Teenager

SOCCER Arsenal, the English Premier League champion, has raided Germany to add another teenage prodigy to its collection.

Following the controversial signings of two 15-year-olds — Jermaine Pennant from Nous County and Jeremy Aliadiere from the French School of Excellence — the latest arrival at the Highbury academy is Moritz Volz, 16, a German youth international.

The midfielder was on the books of Bundesliga club Schalke, but he joined Arsenal for a reported £150,000, a year (\$244,000) starting next season.

The transfer has angered Bernd Stober, the coach of the German under-15 team, which Volz captained. Stober said: "It's an abuse by a professional club — they try to grab players younger and younger." (AFP)

By Christopher Clarey
International Herald Tribune

LAUSANNE, Switzerland — The five rings still have pride of place in this lakeside city that has long styled itself as "*la capitale Olympique*".

"I don't know if there will be any vote of confidence," said Dick Pound, an IOC vice president. "The real vote of confidence is to do what we have to do here."

Samaranch pushed through a change in the IOC rules in 1995 to increase the age limit so he could run for a fourth term. But the term he maneuvered for so cleverly has turned out to be the most traumatic of his presidency, calling his leadership into question and exposing the ethical failings of a committee that relishes its autonomy and its perks.

Samaranch's term ends in 2001, but there have been calls for his resignation from former and current athletes, politicians, sports officials and editorial pages around the world. He has resisted the pressure, and if he does ask for a vote of confidence, it is expected to come early on Wednesday after he addresses the session. Because the majority of the members were named to the IOC during Samaranch's tenure, it would appear that he runs little risk of losing such a gamble.

Though the Associated Press reported Monday that Samaranch believed some members of the IOC's executive board were working behind the scenes to force him to step down, one board member, Kevan Gosper, said Tuesday that "the board's preoccupation is to get through the week in support of the president and start reforms that will turn our reputation around."

Four IOC members have resigned because of their roles in the bribery scandal, which has centered on inducements offered by the team from Salt Lake City that bid successfully for the 2002 Winter Olympics. An IOC committee headed by Pound has recommended that six other members be expelled: Agustin Arroyo of Ecuador, Zein Abdin Ahmed Gadir of Sudan, Jean-Claude Ganga of Congo, Lamine Keita of Mali, Sergio Santander Fanti of Chile and Paul Gadi of Western Samoa.

The IOC will pass judgment on those six men on Wednesday, and there is an outside chance that the case of executive board member Kim Un Yong of South Korea could also be considered by the general assembly.

Kim was given "the most serious of warnings" by Pound's commission, partly because of arrangements made by Salt Lake City officials on behalf of his son, John Kim. In the report, the commission said it was unable to conclusively determine that the father knew of these arrangements but that "should the allegations be fully established" he should be expelled.

"There is still an open case," said IOC vice-president Anita De Frantz of the United States on Tuesday. "I don't know if it would be prepared by tomorrow."

Each of the six facing expulsion will be given 20 minutes to defend himself

before the general membership, and then a separate vote will be taken on each case. The voting will be by secret ballot if at least a quarter of the members request it. A two-thirds majority vote is required to expel a member, and though there are officially 110 IOC members, only 91 with voting power are expected in Lausanne.

Those facing expulsion may not

Ganga has been the most vocal of the accused, appearing on Swiss television to denounce the work of Pound's commission as "parody of justice" because it was too hasty. "Dick Pound spent only two days in Salt Lake City," Ganga said.

Ganga is accused of accepting medical treatment, travel perquisites and direct payments from Salt Lake City officials that exceeded \$200,000. But he claims the direct payments he received were used to promote sports at home and that he is being targeted because he led the African boycott of the 1976 Olympics in Montreal and because he had requested more detailed information about the lucrative television deals struck by Pound on behalf of the IOC.

Pound, a lawyer by profession, said "none of these investigations are politically motivated" and that he was satisfied with the thoroughness and impartiality of his commission's work.

"As a lawyer I know that if you have

a case with bad facts, you attack the law," he said. "If you have a case with bad law, you attack the facts, and if you have a case that's bad in fact and law, you attack the prosecutor."

After proposing in January that the host city for the 2006 Winter Olympics be chosen by a small committee composed partly of nonmembers instead of the full membership, Samaranch and the executive board have retreated in the face of widespread opposition within the IOC.

Their new proposal calls for a 16-member committee composed of athletes, sports officials and IOC members to be chosen on the day of the vote. That group, relying on information from the IOC evaluation commission, would narrow the field to two. The full membership would then vote on a winner later in the day. Visits to candidate cities by IOC members not on the evaluation commission would still be banned.

Reforming the way IOC members are chosen by creating term limits or an outside electoral process is also being considered, but Pound said that the issue needed to be studied further, perhaps by a soon-to-be-created reform commission, before a recommendation could be made later this year.

"We have every hope that we will have whatever the new system is in place as we enter the new millennium," Pound said.

IOC Gathers to Address the Scandal — and Its Fallout

By Christopher Clarey
International Herald Tribune

LAUSANNE, Switzerland — The five rings still have pride of place in this lakeside city that has long styled itself as "*la capitale Olympique*".

The Olympic flag is out at half staff as it flaps in the breeze in front of luxury hotels and along public thoroughfares. Children still play in a park named for Pierre de Coubertin, the founder of the International Olympic Committee, who moved its headquarters here from France in 1915, during World War I.

But this week hardly represents business as usual for the IOC or its peaceful Swiss home. On Wednesday and Thursday, the IOC will meet in an emergency session that was called by its president, Juan Antonio Samaranch, in an attempt to address the fallout from the bribery scandal that has buffeted his oligarchic and — critics maintain — anachronistic organization since December and forced open the door to reform.

This 108th session will be unlike any other in IOC history, and the emotionally charged agenda will feature votes on the expulsion of six IOC members, approval of a new method for selecting the 2006 Winter Olympics host city, approval of the creation of an independent ethics commission and, perhaps, a vote of confidence in Samaranch. As usual, the meetings are held behind closed doors.

Samaranch pushed through a change in the IOC rules in 1995 to increase the age limit so he could run for a fourth term. But the term he maneuvered for so cleverly has turned out to be the most traumatic of his presidency, calling his leadership into question and exposing the ethical failings of a committee that relishes its autonomy and its perks.

Samaranch's term ends in 2001, but there have been calls for his resignation from former and current athletes, politicians, sports officials and editorial pages around the world. He has resisted the pressure, and if he does ask for a vote of confidence, it is expected to come early on Wednesday after he addresses the session. Because the majority of the members were named to the IOC during Samaranch's tenure, it would appear that he runs little risk of losing such a gamble.

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"As a lawyer I know that if you have

Pride, Passion and Wasted Talent

Facing Elimination, Inter Squabbles When It Should Be Fighting

By Rob Hughes
International Herald Tribune

LONDON — Who the giants of European football are in win-or-hust competition, when the fanatical masses fill the San Siro in Milan hoping to transmit the Houlini spirit into their troubled Inter team, no player should dare, no talent should be lost to the cause.

Alan poor Inter. The club starts the second leg of the UEFA Champions League on Wednesday two goals down to Manchester United. To overcome that

Champions Cup with Juventus and Dortmund.

Sousa, sensing perhaps that Lucescu might have favored others, said the team had no game plan, that it was useless to put 11 individuals on the field and hope for cohesion. "We are hopeless," Sousa reportedly said. "we stand no chance against United." He certainly has no chance. Lucescu had him removed from camp.

All is lost. Inter has won every Champions League encounter at San Siro this season, some by margins bigger than it needs to eliminate Manchester.

Ronaldo, driven to risk his sore knees after months spent more on the treatment table than the field, says he is ready to sacrifice himself, to do his duty, to set aside all the doubts — mental as well as physical — that have dogged him since that eerie World Cup final in the Stade de France last July.

Inter deemed Recoba a Uruguayan surplus to requirements. They lent him to Venezia for whom he scored a memorable hat trick against Fiorentina last weekend. Recoba looked like a cobra. Everything depends on goals, goals, goals — yet a player owned by Inter is scoring them for someone else. His absence could cost Inter the earth.

Manchester United, if it prevails, would be likely to go into a semifinal featuring Bayern Munich, surely, and, with greater degrees of guesswork, Dynamo Kiev and Juventus. The tournament is there for the winning, and those who want it most must attack. To maul an in-form striker is to invite the wrath of the fans, the presidents, the history books.

Rob Hughes is chief sports writer of The Times of London.



NO ESCAPE — Paolo Vanoli, of Parma, left, tackling Ali Bernabéu of Bordeaux on Tuesday in a UEFA Cup match in Parma. Parma won, 6-0, to advance to the semifinals, 7-2, on aggregate. Herman Crespa and Enrico Chiesa scored twice, and Juan Veron and Abel Balbo, once each.

SCOREBOARD

BASEBALL

EXHIBITION BASEBALL

REGULAR SEASON

Kansas City 10, Toronto 9; 10 innings

Toronto Bay 9, Florida 6; 9

Cleveland 10, Florida 2

Boston 13, Pittsburgh 2

Texas 11, Philadelphia 10

St. Louis 9, Atlanta 3

Los Angeles 13, Houston 9

Seattle 9, Milwaukee 6

Chicago 10, Detroit 7

Arizona 11, San Diego 6; 9

Milwaukee 6, San Diego 4; 10

Tampa Bay 7, Detroit 10; 11

Colorado & Chicago White Sox 2

Washington 27, Seattle 17; 17

Tampa Bay 16, Atlanta 15; 14

Philadelphia 22, Atlanta 16; 15

Montreal 20, Atlanta 17; 16

San Francisco 18, Atlanta 17; 16

St. Louis 22, Atlanta 18; 17

Seattle 21, Atlanta 19; 17

Chicago 20, Atlanta 18; 17

Atlanta 19, Seattle 18; 17

Montreal 20, Atlanta 19; 17

Seattle 21, Atlanta 20; 18

Montreal 20, Atlanta 19; 17

SPORTS

New Middle Class Alters Face of College Tourney

Some NBA-Depleted Powerhouses Fade Early

By Joe Drape
New York Times Service

NEW YORK — Long before anyone discovered that Gonzaga was a small Catholic school in Spokane, Washington, before anyone was welcomed to Wally's World by a sweet-shooting 6-foot-8-inch forward, before Southwest Missouri State got a ticket to a regional semifinal in New Jersey, a coach from down on Tobacco Road offered a couple of predictions about the 1998-99 college basketball season.

It was October and Mike Krzyzewski, the Duke coach, was talking about how the college game had changed in the last few years.

He and his colleagues were not just recruiting against each other, but against the National Basketball Association. That was because more high school players went straight to the pros, or treated the colleges as they once did prep schools.

The players stop in the Atlantic Coast or other conferences for a year or two to work on their crossover dribbles. Krzyzewski saw the early exodus of super talents depleting the number of elite teams and diminishing the level of play at the same time bringing greater parity to college basketball.

Look at which teams advanced over the weekend to the Round of 16 of the National Collegiate Athletic Association tournament and it is clear Krzyzewski's theory holds. The No. 1-seeded teams all advanced: Connecticut in the West; Auburn in the South; Michigan State in the Midwest and Duke in the East.

But three No. 2 teams, two No. 3 teams and three No. 4 teams have been elbowed out by college basketball's new middle class. A record five double-digit seeded teams advanced two rounds: No. 13 Oklahoma, No. 12 Southwest Missouri State and three No. 10s, Purdue, Gonzaga and Miami of Ohio.

The Sooners earned their way to the Midwest Regional semifinals with two poised and gritty performances. But they and Weber State, which bounced No. 3 North Carolina before losing to Florida in overtime, best illustrate how early exits to the NBA can bring an elite team back to the masses.

What if Mike Bibby had returned for his junior year to run Arizona's offense? Or if Antawn Jamison and Vince Carter remained to man the Tar Heels' blocks? Both teams may still have lost, but it is a good bet the games

would have been played differently.

There is still plenty of star power left in the college ranks, even if it shines from unfamiliar sectors.

Before the tournament, only NBA scouts and hoops junkies knew about the world of skills Miami of Ohio's Wally Szczerbiak possessed. But after lighting up Washington for 43 points and saving the game with a blocked shot on defense, then turning 11 shot attempts into 24 points and a victory over No. 2 Utah, Wally's World went national.

The rest of the Redhawks were pretty good, too, and showed some tournament truisms remain infallible: a solid cast can jump on the back of one terrific player and run pretty deep in the tournament. Remember, Daamy Manning and a no-name bunch of Kansas Jayhawks cut down the national championship net in 1988.

The Zags from Gonzaga showed what a well-coached team with a fierce will to win can do. They outmuscled one of the nation's biggest and most physical teams and ousted No. 2-seeded Stanford. And Southwest Missouri State Coach Steve Alford, one of college basketball's greatest shooters in his days at Indiana, demonstrated with his Bears that he listened to Bobby Knight's lectures on defense.

The other observation Krzyzewski had hark in pre-season is even more pertinent heading into the regional semifinals. He said he believed this edition of the Blue Devils would compete for the national championship. They were among his most talented ever, which is saying a lot from a coach who has been to the Final Four seven times and won two national championships.

Only UConn can approach Duke's talent level, and the Huskies' list of super talent goes only two deep, Richard Hamilton and Khalid El-Amin.

There is still quite a bit of ground for the new middle class to cover before they reach elite status. But Krzyzewski knows the more things change in college basketball, at least one thing stays the same.

"I think the closer you get to having a chance to win a national championship, the harder it gets," he said Monday. "This is not the regular season; it's totally different. People believe in miracles in March."

The 16 teams remaining are probably going to need one to get by Duke.



Isaiah Rider, a Portland guard, flying past Hot Rod Williams of the Mavericks to score on a layup in Denver.

DiMaggio and Son: Estranged, Private, Difficult

By Greg Garber
Hartford Courant Service

AMID THE typical buzz of a baseball card show some years ago, a man thrust a copy of *Sport* magazine in front of Joe DiMaggio.

The magazine was born in September 1946, and the very first cover featured the Yankee Clipper and his 5-year-old son, Joseph Paul DiMaggio Jr. They both wear Yankees caps and radiant smiles.

DiMaggio looked down at that cover and frowned slightly. Still, he was about to put pen to paper when the man, pointing to the kid, said, "Hey, do you know who that is?"

DiMaggio stiffened. "Of course, I know who it is!" he said angrily, pushing the magazine away. The man didn't get his autograph.

"There were two subjects that were taboo with Joe: Marilyn Monroe and Joe Jr.," said Barry Halper, the pre-eminent baseball collector, who witnessed the incident and knew DiMaggio for 27 years. "In all the time I knew him, he never said a word about either one. You knew not to ask."

On Thursday, at San Francisco's Church of Sts. Peter and Paul, where DiMaggio received his first communion, his only son helped carry his father's casket after the funeral service. Joe Jr., gray-haired at 57, had been estranged from DiMaggio for years. He hadn't talked to his father in more than two years and didn't go to Florida while the former New York Yankee star, 84, battled lung cancer.

In the end, however, the son helped bear the father to his final resting place, Holy Cross Cemetery in Colma, just south of San Francisco. It was appropriate in some measure, for the son has borne the burden of his father's name all of his difficult life. Their conflict has the classic markings of so many sour relationships between parents and children.

Beyond their names, the two men shared a toro-like love of privacy. In recent years, Joe Jr.'s only known oo-er-the-record conversation was with "Inside Edition," the tabloid television magazine. In an interview broadcast Feb. 11, Joe Jr. explained why he never saw his ailing father in Florida.

"You know, I never got the words, 'Come now,' or I would've been there in a flash," Joe Jr. said. "I love him, and just all of the things that are felt, but never said, between people. When he wants me there, I'll be there."

The call must not have come.

Joe Sr. was celebrated as an athlete of style and grace and class.

Joe Jr. grew up surrounded by glamour and attention and attended the prestiges Lawrenceville School in New Jersey and Yale University.

Years later, something drew Joe Jr. to Martinez, California, east of Oakland, where his father was born. When "Inside Edition" aired its story last month, Joe Jr. was living in a trailer, working in a junkyard.

"What is Joe DiMaggio's son supposed to do?" he asked. He described himself as "just a free spirit. No commitments. The first of the month rolls around, and I have no payments to make."

There were times when he almost seemed to revel in the contrary nature of his life.

"My lifestyle," he once told a reporter, "is diametrically opposed to my father's."

In 1941, Joe DiMaggio produced one of the greatest and enduring feats in sports. The Yankees center fielder had a 56-game hitting streak. That same year, he also produced his only son.

DiMaggio had met Dorothy Arnold, an actress, who both appeared in the movie "Manhattan Merry-Go-Round" in 1939. They were married later that year at the same twin-spired church on Washington Square where DiMaggio grew up worshipping and from which he was buried.

Joseph Paul DiMaggio Jr. was born in San Francisco. Arnold retired from acting to be a mother and a wife, but the marriage ended in divorce after three years.

In 1951, DiMaggio's last year with the Yankees, he saw a picture of Marilyn Monroe in a newspaper and asked a friend in Hollywood to fix them up on a blind date. For three years, they had a not-so-secret love affair.

DiMaggio married Monroe in January 1954, and she moved into the San Francisco home that DiMaggio had originally bought for his parents.

There, Joe Jr. lived with two of the biggest cultural icons of our time. Monroe's relationship with her stepson blossomed and would last the rest of her life.

The marriage, however, did not go as well. Barely nine months after they were married, DiMaggio and Monroe were divorced. DiMaggio had now been married twice for a total of four years.

As a baseball player, he was a perfectionist.

Giving Up on the Coaches

Grizzlies Struggle, So Hill Could Follow Calipari

The Associated Press

TRAIL BLAZERS 106, MAVERICKS 91 In Dallas, Isaiah Rider scored a season-high 30 points, 23 in the first half, as Portland won for the 10th time in 11 games.

Rider scored only 3 points in an overtime victory Saturday over the lowly Los Angeles Clippers.

"You don't want to have two games like that in a row," he said. "I was determined not to let that happen. I wen into the Clipper game lackadaisical. I just wasn't ready to play."

Jazz 90, Timberwolves 83 Karl Malone had 17 points and a season-high 13 rebounds helping Utah hang on in Minneapolis after blowing a 19-point lead.

MAGIC 74, 76ERS 73 Darrell Armstrong stole an inbounds pass with 3.3 seconds remaining and drilled half the length of the court for a buzzer-beating layup against Philadelphia.

The Magic improved to 11-1 at home despite shooting 28.6 percent from the field.

Knickers 108, Bucks 102 Latrell Sprewell scored a season-high 28 points. Allan Houston had 22 and Larry Johnson 21 as New York won in Milwaukee.

Raptors 88, Hornets 82 In Toronto, Doug Christie had 18 points as the Raptors snapped a two-game losing streak and dropped Charlotte to 2-3 under new coach Paul Silas.

Kings 111, Warriors 105 In Sacramento, Chris Webber had 20 points and six other Kings players scored in double figures.

The game was decided at the foul line, where the Kings went 24-for-40 and the Warriors were just 5-for-7.

Outside New Jersey, Devils Thrive

The Associated Press

If there is any advantage to playing at home, the New Jersey Devils have not found it yet this season.

The National Hockey League's best road team made that record even better with a 2-1 victory over the Vancouver Canucks on

NHL ROUNDUP

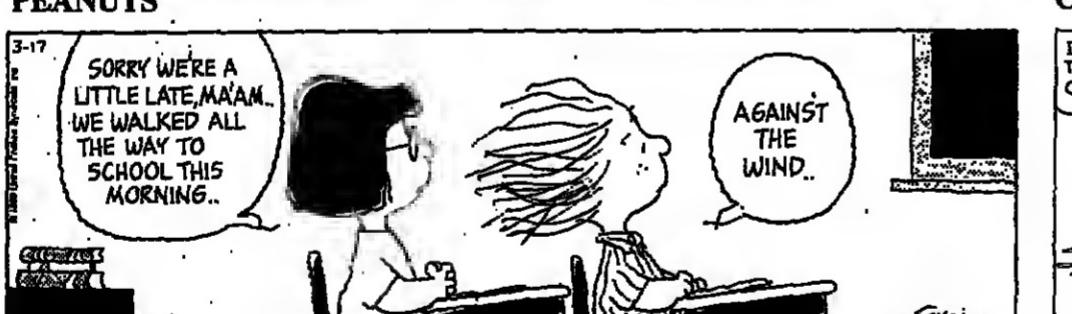
Monday night. The Devils are 23-8-2 on the road, but only 14-13-6 at home.

"It's kind of confusing," said Ken Duncyko, a New Jersey player. "We've had a tough time at home — just over .500. But on the road, at times we seem unbeatable. It just seems we play a simple game on the road. We move the puck, we skate, we don't get into trouble."

"At home we try to do too many things, and sometimes we give up too many odd-man chances and get behind the 8-ball."

Sabres 2, Islanders 1 Miroslav Satan scored twice and Dwayne Roloson gave Buffalo another strong performance in net as the Sabres beat the visiting Islanders.

PEANUTS



GARFIELD

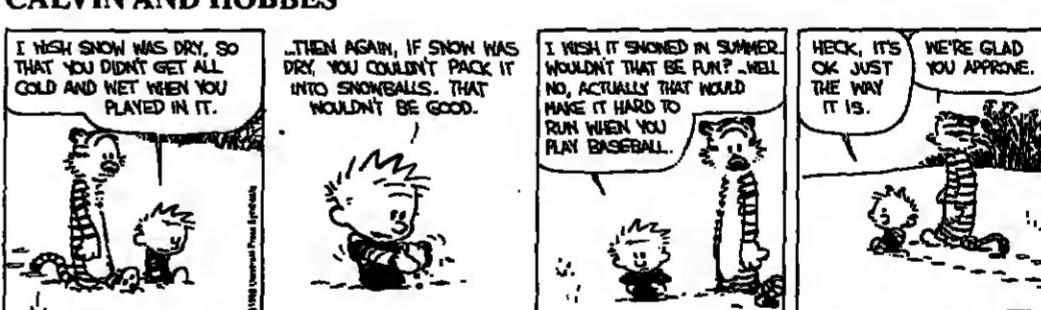


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Spanish Imbroglio

By Al Goodman
New York Times Service

MADRID, Spain — When "The Grandfather" ("El Abuelo") won an Oscar nomination last month as best foreign-language film, there was a sense of vindication for its director, Jose Luis Garcí, who has been locked in a nasty battle with Spain's film establishment.

Garcí, who won a foreign-film Oscar in 1983 for "Begin the Beguine," has attacked the leaders of the Spanish film academy as "fascist" for not fully clearing his name after allegations of a vote-buying scheme for Spain's top film awards, the Goyas.

An anonymous letter was sent in December to most of the 771 voting members of the Spanish Academy of Cinematic Arts and Sciences saying that Garcí's aides would personally collect the ballots, which are supposed to be mailed directly to a Madrid notary. Garcí denies any connection to the letter.

It is the biggest scandal ever for Garcí and for the 13-year-old Spanish academy, which some industry veterans regard as a clubby institution whose members have more than once snubbed such internationally known Spanish directors as Pedro Almodóvar.

The academy insisted in two statements in January that the matter was settled when no proof emerged of vote buying or improper pressure. The academy dropped the matter, although its president agreed to consider a stricter code of ethics on voting.

That was not enough for Garcí, and he abruptly quit the academy before its Jan. 23 awards ceremony here. "The Grandfather" won just one Goya statuette, for best actor, after being nominated in 13

categories, including best picture and best director.

He said the results demonstrated that he did not buy votes. His lawyers are seeking a more definitive statement from the academy absolving him of any misconduct. "I don't think you can play with a person's honor," Garcí said. "I want to get rid of the damage, and I hope to get it soon."

Some said that fierce commercial pressures, and perhaps pure envy, may have inspired the anonymous letter. The scandal arose after the film industry had reached cruising speed, with high-quality movies and wide popularity after years of hard work. In 1997, moviegoers bought 13 million tickets to domestic films, accounting for \$52 million in receipts, double the numbers from a decade ago.

□

The mystery remains over who sent the letter. "We'd need Philip Marlowe to find out," Garcí said.

Rumors have swept Madrid about the letter's author. Some say Garcí may have been singled out as a target for having been perceived as nudging up to the conservative government. But he said that some of his earlier films had anti-Franco themes: "Begin the Beguine" is about a Spaniard in exile after the Civil War who wins the Nobel Prize in literature.

While the harsh words have waned, the wounds do not appear to be healed. After "The Grandfather" became an Oscar finalist, the film's lead actress, Cayetana Guillén Cuervo, who is Garcí's romantic off-screen partner, told the daily *El País*: "Now some people will have to shut up. Or did we buy the American academy, too?"

The Limitless Horizons of Russia's Philosophers

By Patricia Cohen
New York Times Service

MOSCOW — Vladimir Fedorovich Titov is not bitter. True, he was chief of the department of Marxist-Leninist philosophy at the prestigious Moscow State University when the faculty voted in 1991, as he put it, to "liquidate completely" his department.

"We decided the question pacifically. Professors understood the political situation." He offers a gentle smile, revealing a gold tooth. This 60-year-old Marxist is now teaching existentialism. "It was a great mistake," he says of his department's elimination. "Marx was a great thinker. Without him you can't do philosophy."

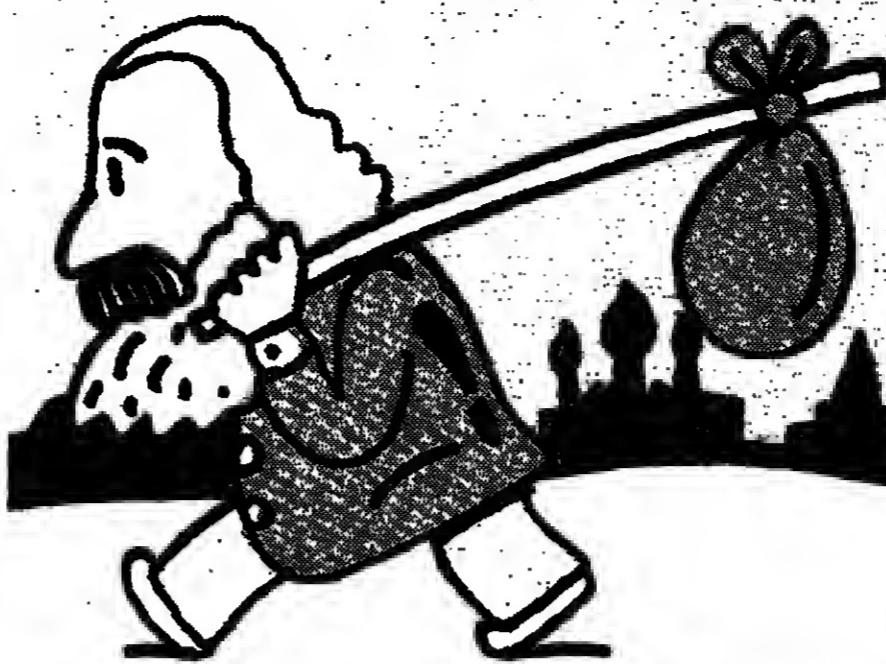
For 70 years Russian philosophy was Marxism-Leninism. It was more than a dusty schoolroom requirement; it was the national religion, the source of the state's political authority and legitimacy.

Vladimir Mironov, chairman of Moscow University's philosophy department, remembers a teacher once telling him: "You get paid a high stipend not because you know philosophy, but because you're going to be an ideologue." These days ideological work doesn't pay that well, but no one knows yet what will replace it.

"Of course, the old guard professors like Titov, still have their teaching jobs, and some of the textbooks have changed nothing more than their titles. But Russian philosophy, freed from the Marxist straitjacket, is clumsily stretching its arms, testing its reach.

Instead of looking at every problem through the lens of scientific socialism, philosophers can now reinvent themselves: they can be analytical or mystical, try logic or phenomenology. The ethics of political and economic success are suddenly acceptable subjects for ethicists, as are abortion and organ transplants. In epistemology, the study of knowledge, scholars can now examine a subject once off-limits, like the religious roots of science.

This freedom has pitched Russian philosophy both backward and forward. In some cases Russians have looked inward, sifting through their own past to rediscover the philosophical heritage that was suppressed during most of the Soviet period. Some have turned to the religious philosophy of the Christian Orthodox church, while others are re-examining the 19th-century notion of the "Russian idea," the nation's unique historical mission. Still others have looked outside,



Shari Lewis

to Europe's and America's postmodernism. What philosophical school is most popular now? "What day is it?" Mironov responded with a laugh.

The "all of the above" option is, to some degree, precisely the point of a post-communist world. Yet as these and other ideas rush to fill the vacuum left by communism, the question is whether Russians will be tempted by a substitute orthodoxy.

"People understood Marx very dogmatically," said Rubin Aprésyan, who teaches at the Institute of Philosophy in Moscow, historically a more autonomous institution than Moscow State University. Now "they are replacing one set of axioms with another." In this sense, how the born-again field of philosophy develops is a bellwether of Russia's intellectual life in general, and of ties to the country's politics and economy.

The most predictable impulse after the fall of communism was Russian scholars' desire to fill in the gaps of their history. Although some of the writings of homegrown philosophers like Vladimir Solov'yov, Nikolai Berdyayev and Ivan Il'ian began to be available in the Khrushchev era, they were carefully controlled. You could talk about them,

Solov'yov, who coined the term "the Russian idea," had a mystical bent and saw Christianity as the repository of supreme wisdom. The return of "the Russian idea" worries those who fear that a belief in Russia's exceptionalism could turn into a dangerous messianism. When many Russians feel humiliated, the notion of a divine mission offers psychological compensation. It also seems to set the stage for a replay of the tug of war between nationalist, conservative Slavophiles and progressive, secular Westernizers, a struggle that Dostoyevsky savagely satirized in his 1872 novel "Demons."

Yet this opposition between East and West has often been exaggerated. The simple idea that Russia has a unique character, a particular "Russkiy mentalitet," appeals not only to fierce nationalists, but to religious leaders, poets, anti-communists (who see Marx as a Western import), as well as young, liberal Western-educated scholars who don't want to see Russia's form squished into a one-size-fits-all American-style suit.

That is particularly true at the moment, when Western-style liberalism has taken such a bantering here. Instead of rose-colored glasses, many Russians now see the West through what Aprésyan calls "gray glasses," intellectuals in Moscow and St. Petersburg agreed.

"There is a disenchantment with Western liberal ideology," said Vladimir Lektor'sky, editor of the leading philosophy journal, Voprosy Filosofii (Problems of Philosophy). "Liberalism was reduced only to minimal government and private property, with disastrous results." In theory and practice liberalism itself had turned into a kind of dogma. Corruption, poverty, a dwindling industrial base and agricultural system, and governmental chaos hadn't exactly help salvage the capitalist dream.

But one Western import that has captured the imagination of the younger generation of scholars is French postmodernism. "Every second person considers himself a postmodernist," Mironov said.

In many ways postmodernism seems the perfect philosophy for a post-communist society. After years of listening to the ruling party dish out the "Truth," postmodernism's insistence on competing notions of truth is a welcome change. Its skepticism of authority extends to Western assumptions about the straight path of progress and common attributes. Thus, those who hold on to a sense of Russia's uniqueness are drawn to it as well.

PEOPLE

A STAR-STUDDED group has signed on to celebrate the 100th anniversary of Ernest Hemingway's birth. The panel of authors includes Derek Walcott, Kenzaburo Oe, George Plimpton, E. Annie Proulx, Henry Louis Gates, Gail Caldwell, Chinua Achebe and the Nobel laureates Saul Bellow and Nadine Gordimer. The authors will reflect on Hemingway's influence on world literature at the Hemingway Centennial, to be held at the John F. Kennedy Library in Boston on April 10 and 11. Hemingway, born in Oak Park, Illinois, in 1899, killed himself in 1961.

Guillermo Cano Foundation in Bogota on May 3.

Buddy Holly's relatives have sued

the singer's record label, charging that the company hoarded royalty payments, forged contracts and produced albums without family consent. The lawsuit against MCA Records seeks unpe-

cified damages. The plaintiffs are Buddy Holly's widow, Maria; his brothers, Larry and Travis Holley, and his sister, Pat Holley. The lawsuit, filed in a Texas state court in Lubbock, where Holly came from, charges that the MCA contracts providing for royalties to Holly's heirs are legally questionable and should be negotiated. Holly, whose hits included "That'll Be the Day,"

"Peggy Sue" and "Maybe Baby," died in a plane crash at age 21 in 1959.

The shock rocker Marilyn Manson has canceled three concerts after spraining an ankle during a show in Inglewood, California. He hurt himself jumping from a speaker onto the stage Sunday night, and the concert was cut short. Manson, advised to rest his ankle for five days, canceled shows in San Diego, Las Vegas and Phoenix.

New Enlistees at the Rock Hall of Fame

New York Times Service

NEW YORK — Bruce Springsteen, a regular at the Rock and Roll Hall of Fame's annual ceremonies since its first members were named in 1986, has been inducted himself, along with Paul McCartney, Billy Joel, Dusty Springfield, Curtis Mayfield and Del Shannon and the Staple Singers.

McCartney and Mayfield had already been inducted as members of the Beatles and the Impressions.

Current stars — including Lauryn Hill, the winner of this year's Grammy Award for best album, Eric Clapton, Bonnie Raitt and Elton John — attended the ceremony and jam session at the Waldorf-Astoria on Monday night.

John paid homage to Dusty Springfield, who died on March 2. "When I first heard that voice, I fell in love with that voice," he said. "I think she's the greatest white singer that there ever has been."

Two Broadway performances of "Death of a Salesman" were canceled because its star, Brian Dennehy, was hospitalized with what his spokesman said was high blood pressure. Performances Sunday and Tuesday were canceled because Dennehy, whose role as Willy Loman requires him to be on stage for almost three hours, has no understudy. His publicist said a decision would be made Tuesday on whether Dennehy would be able to perform in Wednesday's matinee.



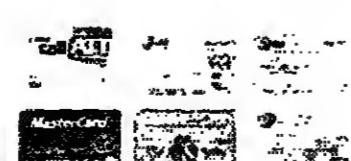
DRESSES FOR CHARITY — Natasha Richardson, left, and Elizabeth Taylor at a New York party before an auction to benefit AIDS research. The auction will be of dresses worn to the Oscars by well-known actresses.

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